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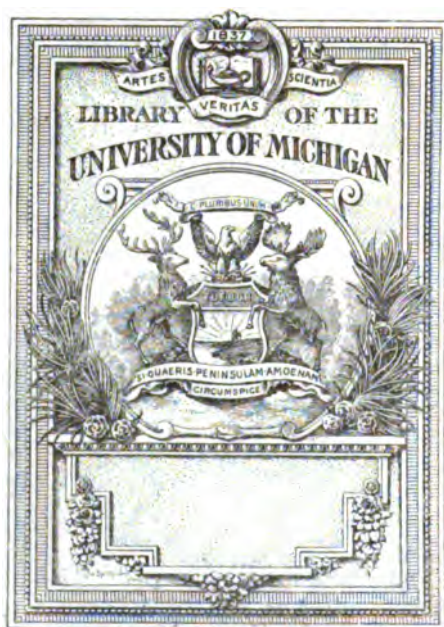
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# THE ECONOMIC REVIEW

*VOLUME XIII*



# THE ECONOMIC REVIEW

PUBLISHED QUARTERLY

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EDITORS

REV. J. CARTER  
H. A. PRICHARD  
REV. H. RASHDALL

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## COMMERCIAL EDUCATION AND UNIVERSITY DEGREES.

**I**T has been declared repeatedly that the English mind is essentially conservative; but, in view of the revolutionary changes taking place, or likely to take place, in matters of university organization and regulation, this statement, so far as it affects our university authorities, must be regarded in future as a gross libel. There is a Latin proverb—"Festina lente"—which is not without its moral at such times as these; and, maybe, that moral is to be found in the Anglo-Saxon paradox, "More haste, less speed." But this by the way.

During the greater portion of the last century, the continuance of England's commercial supremacy was rarely questioned by the public mind, and the patriotic Englishman regarded his prosperous estate as part of a glorious and—shall we say?—divine heritage. The foreigner, compelled, for the time, by force of circumstances, to play a very subordinate part in the world of commerce, failed to recognize the hopelessness of future rivalry, and quietly proceeded to make the most of his opportunities. As a result, recent years have witnessed a radical change in ideas—not universal, it is true, but sufficiently widespread to afford a vivid contrast to the English sentiment of half a century ago. Writer and speaker now combine to awaken us from our delusions. England's prosperity is no longer assured! Already she has lost the lead of the world's markets, and the future looms ominously! A careful investigation of the facts compels us to regard this paroxysm of panic as a hysterical exaggeration of the existing situation. In truth, the industrial forces of the nation have met with more than one serious reverse during recent years: the decay of the South Wales tin-plate trade<sup>1</sup> is

<sup>1</sup> But the conditions bringing about this decay of trade were somewhat exceptional. The United States was the great market for Welsh tin-plates; perhaps

but one example of the result of that competition which the United States and Germany are now bringing to bear against us. Since business ability, either national or individual, is far from being infallible, a certain amount of loss from time to time is to be anticipated, but it is absurd to assume that, when such loss does occur, it is *necessarily* indicative of the general industrial decadence of the country affected. The course of trade in any nation has its periods of depression, of stagnation, as well as of progression; so long as the *general* trend is one of progression, there is no cause for alarm. Nor need it be supposed that England suffers industrially because the amount of her total trade does not maintain the same ratio to the amount of the total trade of other countries, the United States and Germany in particular. Our supremacy was established in the days when these latter countries, by reason of internal conditions, were unable to reach out, with any vigour, into foreign trade, and at a time when they were but partially conscious of the vast material resources lying within their territories. But, while

the value of the market was not fully appreciated. After a while, the Americans thought they might supply their own requirements in this direction, and so imposed a very heavy tariff on the import of foreign tin-plates. Under normal circumstances, the States would have found the establishment of a new industry, with keen competition confronting them, a matter involving heavy outlay and probably considerable loss, with a serious risk that, before the end sought could be reached, industrial complications might bring comparative failure. In this case, however, the Welsh workers themselves practically assured the success of the policy indicated in the tariff measure. Masters set up works and machinery across the Atlantic, and transported many of their experienced workmen thither. And in abandoning old associations for foreign employment, the workpeople showed an eagerness which even the inducement of abnormally high wages does not entirely explain. Probably the action of the masters facilitated this migration, helped also, in no slight degree, by that extraordinary regard for the most distant family relationship so marked in the Cymric character. This exceptional mobility of industry, combined with the fact that, after all, America was fighting simply for her home market, gave that country unusual chances of success. In any case, the policy of the men's unions in endeavouring severely to restrict the output, with the resulting severance of interests between masters and men, materially handicapped the Welsh industry; under such a system prosperity could not be looked for. Yet the very men who refused to turn out more than a limited number of "boxes" of tin-plates in the Welsh works nearly doubled their individual daily output when they commenced operations in the American works. In some directions British trade unionism has effected much good, but, in other directions, unfortunately, not a little evil.

discounting the fears of the alarmists, we must not allow ourselves to fall back upon the old fallacy that our commercial supremacy is more or less of a permanent heritage. There is no sound basis for the idea that, in ability or energy, the Teuton of Britain is superior to the Teuton of Germany, or to the Teuton of America. One great advantage this country does possess in the fact that, for the present, it stands ahead of its competitors; its total trade is far larger than that of either of the countries named.

The vital problem is—By what methods can this lead be retained in view of the awakened activity of foreign nations? The solutions offered are various, and many valuable suggestions, such as the improvement and cheapening of internal transport facilities, the appointment of a Minister of Commerce, the reform of the patent laws, and the establishment of an adequate system of commercial and industrial training. Probably a combination of these reforms is required, but that to which the attention of the nation has been specially directed of late is the educational one.

It is acknowledged, and rightly so, that the English skilled artisan is not inferior to any of his rivals abroad, and, in any case, the past generation has witnessed a marked development in the technical education of the workman and manager that is very satisfactory. Yet, however good the wares produced may be, there must always be a necessity for organizing and adapting the distributive side of industry to the requirements of a changing environment, so that the right kind of goods shall be placed in the hands of the right consumers at the right time. Between the manufactories and the markets a close accord must be maintained; more than this, the producer needs even to anticipate the fluctuations and variations in the demand of the market. In the factory itself, there is a necessity for effective and economical management, and it behoves the employer to grasp not merely the extent and nature of his own kind of undertaking, but also its relation to other industries, its precise position in the complex industrial organism. As the controller of a large number of workpeople, he should understand the nature of the economic relationship existing between employer and employees, and some knowledge of the social habits and ideals

of those whom he hires will not be without value to him in handling them successfully and advantageously. All of this implies capacity for detail and breadth of view, based upon a high degree of intellectual independence, if not originality.

It is true that experience often brings much of this requisite ability and knowledge, but generally at an enormous expense : and there is good reason to suppose that in commerce, as in medicine and in other lines of work, a proper combination of theory and practice is likely to secure the best results with the least waste and loss.

Hence there need be no hesitation in declaring that it will be to the utmost advantage of the commercial development of our nation that those, especially, who are likely to occupy leading positions in the industrial and mercantile world should be efficiently taught, so as to combine with practical common sense, the gift of nature alone, a specialized knowledge and a trained observation, that shall ensure the maximum of success with the minimum of failure. This commercial training the universities have deemed it their function to bestow, and I see no objection to their so doing, provided it is done in a competent manner. But the details of the methods adopted must be open to friendly criticism.

The conception of what should constitute a commercial education of high type seems to vary, to some extent, with the university. Birmingham considers that Bookkeeping and Auditing, reflecting new importance from a special chair of "Accounting," should be included. London,<sup>1</sup> after considerable deliberation, and, perhaps, hesitation, has sanctioned its appearance, in the Final examination for the B.Sc. in Economics, under the title of "Accountancy and Business Methods." But it occupies a much less important place than in the Birmingham scheme. The latter university intends to set one paper on that subject in each of the three years of its commercial course, whereas the London syllabus gives no recognition to the subject

<sup>1</sup> Not having before me the regulations of the B.Sc. (Economics) for internal students, I am compelled to take those for external students as the basis of any comparisons I may draw.

until the course for the Final examination is reached, and then assigns it one paper in a group of four alternatives. Still there is substantial agreement in the nature and extent of the examination requirements under the two schemes. Victoria apparently differs in opinion or, it may be, awaits the test of experience, and hence "Accounting"—at first the word fits ill on English lips—does not appear as yet. But, no doubt, Birmingham, having led the way in one direction, will be followed again in this. At the time of writing, Oxford, Cambridge, and the universities of the sister kingdoms are as they were. Professor Marshall's suggested new Tripos does not find room for accountancy. The actual worth of the subject, as a part of the university curriculum, is difficult to determine; there is no special educational training in it which is not better supplied by other subjects entering into the course of study, and therefore its practical utility seems to be the ground upon which its right to a place must be maintained. Yet business men differ upon this very point. Some affirm—but many deny, on the grounds that the time spent on the subject during college life would be disproportionate to the results gained—that, in view of the great variety of methods adopted in the keeping of accounts, the teacher would be unable to canvass their details adequately, except by appropriating several hours a week to the subject; and that the teacher, however able and active, would find it very difficult, if not impossible, to keep on a level with the continual changes going on, and hence his lecturing, in most cases, would tend to fall into the easier alternative of teaching formal or text-book bookkeeping. These views may be extreme, but it is for Birmingham, having given us the lead, to make out its own case; certainly a faithful carrying out of the provisions of the syllabus will afford a good test of the real utility of such work. The Birmingham syllabus of "Accountancy," it should be added, comprises undoubtedly valuable lessons upon annuities and other technical points of a mathematical nature, such as are usually included under the *Bureau Théorique* of many Continental schools of commerce.<sup>1</sup>

<sup>1</sup> In referring to the Birmingham B.Com., may it be asked why Chemistry has been placed as an optional subject both in the first and third years, but not in the

Whatever may be thought of the introduction of accountancy work into the degree syllabus, the further step Birmingham has taken in making (in England) a new degree title for the commercial course, in the shape of a B.Com., manifests an independence in so young a university that is refreshing if somewhat surprising. Other universities are more conventional. London proposes to round off its new course with the B.Sc. degree; Victoria with the B.A. degree. "*Quot homines, tot sententiæ.*" Is it possible that we may advance ultimately to the titular refinements practised in some of the western colleges of the States—Bachelor of Accounts (B.Act.) for example? There is no doubt something to be said in favour of creating a totally new title for the commercial degree, and of thus placing commerce on a level with law, music, and medicine; but it is questionable whether the time is opportune for the infliction upon us of this title of B.Com., with its unfortunate superfluity of letters. The B.A. degree (or the B.Sc.), which has occasionally acted as the foster-mother of infant faculties, could have served once again in this capacity, until, at any rate, the public mind had become a little more convinced of the appropriateness and efficacy of the new course. In any case, reasoning by analogy from the LL.B. or Mus.B. degree, we should expect the B.Com. course, like these, to be composed of a number of subjects intimately related to one another, and forming a separate and distinct group; pertinent subjects, not so closely related, being admitted only to a limited extent and in a subordinate position. This is certainly the case with the specialized degrees just mentioned, but it is not the case with the Bachelor of Commerce degree as established. In constructing this composite degree, a little is taken from the Arts side, a little from the Science side, and a little again from the Law side. If, as has been the universal custom in England until lately, economic and geographical (political and commercial) subjects be reckoned on the Arts side, it is evident that subjects, recognized as forming part of the Arts

second year? A student, with future interests in the dyeing trade, might not care to substitute mathematics, physics, engineering, metallurgy, or other alternative, for the study of chemistry in his second year.

curriculum constitute by far the most prominent section of the "Commerce" syllabus. For instance, in the Birmingham course, thirty-five papers are to be set by the university during the three years, and of these (excluding the three papers upon 'Accounting') at least twenty-one fall upon the Arts side, as usually defined, [Commerce,<sup>1</sup> six papers; Modern Languages, ten papers; History, two papers; Theoretical and Applied Economics, not less than three papers], one paper upon the Law side, not more than eight papers upon the science side (by a system of options, nearly the whole of these eight papers could be taken on the Arts side). Such a course, as compared with a course in music, or in law, or in medicine, affords no basis for the argument from analogy in favour of a distinct title. From the practical man's point of view, it is immaterial whether the degree title is B.A., B.Sc., or B.Com., so long as it represents the information and training he requires: from the educational standpoint, over-specialization in degree titles<sup>2</sup> is undesirable; when a new classification is adopted, there should be logical and scientific justification for the change.

The points hitherto raised, however, are of less importance than the problem of determining the way in which the new course—or, to be nearer the truth possibly, the *regrouping* of old courses—shall enter into the university curriculum. Should the commercial course, strictly so called, be a pass subject or an honours subject, or both? Victoria and London have just adopted the third alternative. The B.Com. of Birmingham seems to partake more of the nature of an ordinary degree than of an honours one, though the number of papers is above the average. In fact, one is almost afraid, on seeing the syllabus, that students will be over-examined. The proper course to be pursued can only be determined by a careful review of the

<sup>1</sup> This subject seems intended to be, in its essentials, a compound of Economic History, Commercial Geography, and Descriptive Economics.

<sup>2</sup> The policy of some American colleges seems to tend in this direction. The well-known University of Michigan confers four non-professional baccalaureate degrees—Arts, Philosophy, Science, and Letters. On the other hand, the newly founded Leland Stanford Junior University (California) limits itself to the Arts title (B.A.) in the junior degree.

situation. Inasmuch as the successful working of any scheme of higher commercial education is largely dependent upon the supply of pupils from among the children and connexions of our merchants and industrial leaders, obviously the education and training that the latter deem desirable for commercial pursuits should be most seriously considered in framing the syllabus.

It may be urged with some force that the ideas of even the most successful of such men are far from constituting a satisfactory guide in matters educational. It is unfortunately true that, in past generations, neither the schools nor the universities of England have given much consideration to the provision of a curriculum in direct touch with the requirements of commercial life, and comparatively few of those passing through the universities have entered into actual mercantile work, and still fewer have succeeded. The whole fault of this does not lie with the universities, it is true; but it would require a bold man to deny that in the past their tendency has been, indirectly and unofficially but none the less effectually, to deprecate ambitions which do not extend beyond trade. Law, medicine, theology, teaching, even the Civil Service, have all been regarded as laudable pursuits; but pure commerce—"the getting the better of one's neighbours"—has been deemed, perhaps a respectable, but not a very honourable occupation. And though it is very desirable that the business man should have a broad basis of culture—in fact, an ideal state of things (impracticable, alas!) would be that in which every man intended for any position of commercial responsibility should take a course in classics, or literature, or history, or some such school, before proceeding to the more specialized economic or commercial work,—the indirect influence of university life and associations has given no real encouragement towards the flow of the brightest minds into the channels of commerce. Consequently the mercantile classes have come to regard university training as almost a hindrance to such of their sons as are intended for business pursuits; needless to say, such a sentiment has not conduced towards increasing the percentage of university graduates engaged in commercial work.

Other forces also have been at work, tending in the same direction. No student of the economic development of business organization can have failed to be struck with the fewness of the firms that are able to trace back an unbroken line of proprietorship for three or four generations in the same family. The introduction of new blood seems of vital importance to continued prosperity. Private partnerships are first of all built up by prolonged industry and sturdy common sense (often gained by roughing it in the ranks of the people); in time, the control passes into the hands of the sons, who probably have been brought up under more luxurious and more enervating social surroundings, and with all the educational advantages that school and university afford. So long as the older servants of the firm remain in practical management, the business may be carried on much as in the parent's lifetime. But, as these disappear in course of time, and their places are occupied by new men, who are necessarily without the devotion born of long service, the lack of a steady and skilful hand at the helm is felt, and the firm begins to experience difficulties. Disaster is sometimes anticipated, and headed off by admitting into partnership a tried and able employee with the requisite commercial *savoir-faire*, and placing the active management largely into his hands. At other times the business is transformed into a joint-stock company, and, under new control, perpetuates its existence. Occasionally the children do take up the work in a spirit worthy of their sire, and then, happily, no remedy is needed. There is no need to infer that the educational training of the children has been responsible for their apparent inability to carry on successfully the work of their parents; probably the chief fault lies in their social rearing, often enough both enervating and character-destroying. But from one cause or another, the result is that many of the successful business-men of the day have never had the privilege of passing under the tutoring care of the universities, and hence comes the force of the argument that, taken generally, they are hardly likely to appreciate the moral and educational, as apart from the direct commercial, value of university training upon the customary

lines. Success has been won by them through hard work and common sense; the development of these qualities, so run their thoughts, is not monopolized by the colleges; in fact, if they do not exist previously in the individual, no academic course can implant them. The doctrine that the schools and halls of the university may not only afford valuable experience and training of character, but also give breadth of view and soundness of judgment, is viewed by such men with a certain amount of suspicion. However, the process of conversion is going on, and there are some who are willing to see in academic training an instrument of service to the commercial classes. But the broader conception of this training, as just hinted at, finds place in the minds of few even of these. They see only the concrete, the "bread-and-butter" side; though, forsooth, it may be, after all, that the side with most butter on is not the one that they have chosen. So every subject in the curriculum prepared for the instruction of the coming man of commerce is to be tested by the strictest standard of utility. Subjects or portions of subjects which appear to them to have no direct practical bearing upon the future life-work of the student, are likely to receive little of their attention.

So far as the writer can judge from his investigations, a scheme of education, such as would meet with their general approval, may be roughly tabulated in the following manner:—

1. **LANGUAGES.**—The ability to read fluently, and to write and speak with ease, two foreign languages: the literature and history of the languages are of almost negligible importance. In the mother tongue, the acquirement of a ready and lucid style of composition.

2. **LAW.**—Mercantile law, and of this branch but the elements: historical matter to be disregarded.

3. **ECONOMICS.**—(a) General theory, avoiding the history of theory and all but an elementary consideration of scope and method and similar points, which the business man considers to be merely of academic interest. Emphasis to be laid upon descriptive rather than theoretical economics, and particularly upon the parts of the subject dealing with business organization, trade unionism, co-operation, foreign exchanges, and the like. Again, in economic history, the interesting investigations into the economic effects of the Roman,

Anglo-Saxon, Danish, or Norman settlements, or the inquiry into the attitude of the early Church towards the relief of the poor, so concisely treated in Professor Ashley's *Economic History* (vol. i., pt. ii.), and many other points of absorbing interest and of great importance to the genuine economic student, are so much intellectual dead weight when judged by the practical standard according to which the man of commerce measures the worth (to him) of our attempts to meet his wants.

(b) Statistics : such acquaintance with the applications of statistical methods as will facilitate the classification and interpretation of commercial statistics.

4. GEOGRAPHY.—Not the science of geography, but the so-called commercial geography, and particularly where to find information, and, when found, how to interpret it.

5. COMMERCIAL MATHEMATICS AND THE KEEPING OF ACCOUNTS.—A thorough knowledge of the applications (and especially "time-saving" applications) of arithmetic and algebra to commerce. Upon the necessity of a collegiate course of bookkeeping, opinion is divided, and much more so with regard to the value of the Bureau Pratique of the Continent and the "Business Practice" course of the United States.<sup>1</sup>

In addition to the above, some instruction in the scientific or technological subjects directly connected with the trade, into which the student will enter after the conclusion of his course, is certain to be desired in many instances.

To the scholastic mind, such a course appears educationally defective : it represents utilitarianism but not culture, and therefore fails to give the highest kind of mental training. On the other hand, the business man associates culture with idealism and unpracticability, with theory as opposed to practice, argument as opposed to action,—failing to grasp the true conception of culture as a balancing of the faculties, and therefore a perfecting of the human mind for every kind of work its future environment may cast upon it. And in spite of all our theories upon educational training, the plain truth has to be recognized that, until further conviction is wrought into the minds of the commercial classes, courses of higher commercial education that are not framed in substantial accordance with their desires will

<sup>1</sup> Yet, on the Continent, no work receives more attention or consideration than this bureau work.

never attract to the universities a sufficient number of pupils to justify their continuance. The position is an unfortunate one, but the universities will be wise to accept and make the best of the situation, thereby gaining the primary requisite—pupils,—without which the most admirably arranged course is destined to fail. By so doing, a closer bond of union will be established between commercial men and the universities, and, sooner or later, we may dare to hope, the opinions of the former will be brought into substantial harmony with the broader conceptions of the latter. There is no need of undue haste. Good results may be obtained from the course that has been outlined. Its scope in certain respects is very narrow, but university authorities can ensure that, within the limits, the soundest kind of work is carried on. Under such a curriculum, there will be surely no shadow of excuse for turning out of the colleges students with the flimsy qualifications that sometimes are allowed to have the hall-mark of a university education stamped upon them.

The present attitude of the great majority of commercial men towards the proposed new courses in the universities has now been described, and their views in relation to the composition of these courses explained. Accepting their scheme as the only *practicable* one under existing circumstances, we see that it compels the student to enter into five or six different departments of study, and in each of the first four groups, to which reference has been made in the previous table, there is ample room for the most exacting of triposes. Whatever may be the nature of our desires, it is evident that, in attempting to cover all the branches named, only comparatively small sections of the work of the various studies can be taken ; and the standard exacted in each paper must, of necessity, be inferior to that of the usual Honours school, wherein the subjects largely dovetail into one another, possessing a common logical method. It is this heterogeneous composition of the commercial curriculum proper which at once marks out the ordinary or pass degree as its logical completion.

Three English universities have organized regular courses in commercial subjects: the University of London (B.Sc.), the

University of Birmingham (B.Com.), and Victoria University (B.A.). In each the conclusions we have arrived at have been recognized to a certain extent. There are differences, however, in the details of their respective syllabuses, which the limits of this paper will not permit me to analyze, and I shall therefore be content to notice only the prominent points of comparison. In the first place, attention is given to the Pass (ordinary) degree courses, inasmuch as herein lies the true field of instruction for the kind of commercial education actually called for.

As to the general character of these three courses, a short inspection reveals that the Birmingham scheme leans more to the purely commercial side, that of London more to the purely economic, while the Victoria syllabus is a compromise resulting from a desire to avoid an absolutely separate degree course by modifying the existing regulations for the ordinary degree. Both Birmingham and Victoria lay more stress upon foreign languages than London does,<sup>1</sup> the latter university limiting itself to an indirect test of *reading* capacity, whilst the two former set special papers with additional *oral* tests. A direct test in English, in the form of two papers upon English Literature, is included in the requirements of Victoria University, and an indirect one—an essay paper, dealing with an economic subject—in those of the University of London. The Midland University seems to require no evidence of mastery of the mother tongue beyond that shown in the matriculation examination, except, I presume, in so far as clearness and intelligibility of expression will be demanded in the answering of the questions set in other subjects.

In theoretical and applied economics (including economic history), the papers of Birmingham are much subdivided; for instance, special papers are assigned to Banking and Currency, to Statistics, to Economic Theory, and to Commerce, under which last heading is comprised work in commercial geography as well

<sup>1</sup> With reference to the Victoria course, this statement must be modified by noting that only *one* foreign language is compulsory; a second may be taken by sacrificing some of the economic and commercial work, and a third by omitting all the work in economics, law, and geography.

as in economic history and theory. London has adopted a less conspicuous classification, though probably covering as much economic ground, if not more, and employs but the three headings—Principles of Economics, Economic History, Public Administration and Finance. However, the Birmingham arrangement may be the more attractive to the commercial mind. London, it will be observed, sets a special paper in Commercial Geography, as well as in Economic History, and also an essay paper upon an economic subject. The requirements of Victoria in this group, assuming that the candidate takes two foreign languages, are much more limited, only two papers being then set in two subjects chosen out of the following five—Political Science, Economic Theory, Commercial Law, Commercial Geography, and Economic History.

In Commercial Law, the requirements of each university are quite modest. Birmingham places a compulsory test of one paper in the Third Year examination, London an optional test of one paper in the Final examination, and Victoria likewise (but if two Foreign Languages be taken and Political Economy, only one out of the three papers—Economic History, Commercial Geography, and Commercial Law—can be selected).

Commercial Geography is not assigned separate papers in the Birmingham examinations, but, as previously remarked, enters into the "Commerce" papers, to what extent time alone can show. Victoria sets an optional paper upon it in the Final examination, but London's treatment will perhaps give the greatest satisfaction to our Royal Geographical Society, as a separate compulsory paper is required, though limited to the lower standard of the Intermediate.

The commercial aspect of Mathematics receives special attention in the "Accounting" course of Birmingham, and a more extended knowledge of the science of mathematics is provided for, if desired, by means of two papers on the subject in each of the first two years, alternative to other subjects (chiefly Natural and Technological Science, History, and Political Science). Neither London nor Victoria appear to give any special recognition to what has roughly been termed "commercial" mathematics, each

satisfying itself with a couple of papers upon Pure Mathematics, in the Intermediate examination.

Accountancy, as previously noted, forms no part of the examinations of the Victoria University, and is given a subordinate position in those of the University of London—one paper, in the Final, the taking of which necessitates the abandonment of the paper in Industrial and Commercial Law. Each of the three examinations of the University of Birmingham contains one paper upon this subject, but, so far as the test of the Final year may be taken to represent the standard of requirements, that standard is much the same in the two universities.

A brief summary will now indicate the relation of each of the above university courses to the scheme of commercial education suggested by commercial men, and tabulated on pp. 16, 17. How far the work of each lecture course covers, or fails to cover, the detailed requirements is an interesting question, which it is hardly wise to discuss until further information concerning the operation of the courses is available. Omitting additional subjects, I find that the Birmingham degree provides for tests in two Foreign Languages, in Economics, in Commercial Law, in Accountancy, in Mathematics, and indirectly in Commercial Geography, but makes no direct provision for any test in the mother tongue beyond that required in the general answering of questions. The Victoria degree (by a system of options) enables candidates to take papers in two Foreign Languages, in Economics, in Commercial Law, in Mathematics, but not in Commercial Geography (unless Commercial Law be omitted), nor in Accountancy. A somewhat elaborate test in the mother tongue is provided in the form of papers on English Literature, which include some essay work. The London degree includes papers in Economics, in Commercial Law, in Commercial Geography, and in Mathematics, but not in Accountancy, unless Commercial Law be omitted; its test in two Foreign Languages is limited to written translation from the languages into English, and there is no oral examination as in the other degrees. An indirect test in English is provided for by the setting of an essay paper dealing with an economic topic.

# REQUIREMENTS FOR THE ORDINARY (PASS) DEGREES IN COMMERCIAL SUBJECTS.

N.B.—The figures refer to the number of papers set in the examination.

Name of University and Degree Title.	First Year Examination.	Second Year Examination.	Third Year Examination.
Birmingham. B.Com.	<p>Commerce .. .. . 2</p> <p>Two foreign languages: French, German, Spanish, Italian } 4</p> <p>Accounting .. .. . 1</p> <p>European History, 19th century .. 2</p> <p>— — — — —</p> <p>Mathematics, or Chemistry, or Physics, or, } 2</p> <p>Two of Geography, Logic, British Institutions</p>	<p>Commerce .. .. . 2</p> <p>Two foreign languages: French, German, Spanish, Italian } 4</p> <p>Accounting .. .. . 1</p> <p>Economic Analysis .. .. . 1</p> <p>Public Finance .. .. . 1</p> <p>— — — — —</p> <p>Mathematics, or Physics, or Metallurgy, or Engineering, or, } 2</p> <p>Two of Geography (or Geology), Ethics, and Social Philosophy.</p> <p>1 History and Institutions of France ;</p> <p>1 History and Institutions of Germany ;</p> <p>1 History and Institutions of Spain and Spanish America.</p>	<p>Commerce .. .. . 2</p> <p>Two foreign languages: French, German, Spanish, Italian } 2</p> <p>Accounting .. .. . 1</p> <p>— — — — —</p> <p>Transport .. .. . 1</p> <p>Commercial Law .. .. . 1</p> <p>Six papers from—</p> <p>Physics, Chemistry, Engineering, Metallurgy, Economic, Geology, Electro-technics, Brewing, Mining. (Two subjects at most allowed.) } 2</p> <p>Technique of Trade.. .. . 2</p> <p>Money, Credit, Banking, etc. } 2</p> <p>Methods of Statistics .. .. . 1</p> <p>Factory Hygiene and Legislation .. .. . 1</p>

<sup>1</sup> Students taking these courses must take the corresponding language, or have a knowledge of the same equivalent to the standard of the Second Year Examination.

Name of University and Degree Title.	Intermediate Examination.	Final Examination.
<p>London. B.Sc. (external).</p>	<p>Principles of Economics: French or German translation } 3          required in one paper.          Economic History .. .. 1          Existing British Constitution .. 2          Commercial and Political Geography, with special reference to United Kingdom } 1          Mathematics, or Logic and Statistical Method } 2          ————</p>	<p>General Principles of Economics (including Applications of Statistical Methods) } 3          ————          Public Administration and Finance. French and German translation } 2          required in one paper          Modern European History, 19th century.. .. 2          ————          Essay upon a subject in Economics or Political Science          Accountancy and Business Methods, or Industrial and Commercial Law,          or Constitutional Law and History, or Public International Law } 1</p>
<p>Victoria,<sup>1</sup> B.A.</p>	<p>Pure Mathematics (or Logic) .. 2          Modern History (or Ancient) .. 1          Latin (or Greek) .. 2          French, or German, or Spanish, or Arabic, or Chinese (or Anglo-Saxon) } 2          Second modern language or Political Economy, or English Literature, or Applied Mathematics, or Physics, or Chemistry (or any subject in preceding four groups not already taken) } 1 or 2          ————</p>	<p>—————          ————          ————          French, or German, or Spanish, or Chinese, or Arabic .. .. 2          Four of Political Science, Advanced Political Economy, Commercial Law, Commercial Geography, Economic History; } 4          or,          Two of the previous group, together with a second modern language;          or,          A second and a third modern language.          English Literature .. .. 2</p>

<sup>1</sup> In the case of alternative subjects, those with no direct bearing upon commerce or industry have been omitted. As previously explained, the commercial course is evolved out the general course for the Victoria degree by a system of options.

Clearly the requirements of the Birmingham degree are more nearly in harmony with the professed wishes of the great bulk of commercial men, having any interest in the question, than those of either of the other degrees. The greater attention that can be given to modern languages under the Victoria curriculum will cause many business men, no doubt, to prefer that course to the London one, in spite of the paucity of economic work that the taking of a second language entails: perhaps the elasticity of the scheme may also be in its favour. Though the London course may not be so "practical," nor, at present, so much appreciated by commercial men, as that of Birmingham, yet it seems to possess a greater unity and coherency of arrangement, and, in laying emphasis upon general principles, to pursue a more scientific line of development; and I am of opinion that the training and mental discipline afforded by the nature of its studies will be of a particularly valuable character to those intended for responsible positions in industrial and commercial pursuits.

Besides the main subjects named in the preceding paragraphs, other more general courses and several alternatives enter into the syllabuses of the three degrees under discussion, a conspectus of which is now exhibited in the following table. Matriculation requirements are omitted, the preparation for the same being generally carried on at school, and, in any case, being of a preliminary nature.

Beyond the work thus provided, both London and Victoria have established Honours Schools in Economic and Political Science, specially framed to meet the needs of future business men. The scope of these two schools will be gathered from the details given in the appended table. The Intermediate examination of the Ordinary degree must precede the Final examination of the Honours degree in the University of London; in Victoria, either the Intermediate (ordinary) B.A. must be passed, or certificates be presented of having attended approved courses of study,<sup>1</sup> in subjects other than those of the Honours school,

<sup>1</sup> Such courses must average, during the first and second academic years, not less than six hours a week, of which three hours a week shall be a language.

before the Honours examination can be taken. The courses for the Intermediate B.Sc. (Lond.) and Intermediate B.A. (Vict.) have been previously outlined.

# REQUIREMENTS FOR THE HONOURS DEGREES (FINAL EXAMINATION) IN ECONOMIC AND POLITICAL SCIENCE.

London.	Victoria.
Economics .. .. . 1	Economics and Commercial Geography .. .. . 2
Public Administration and Finance 1	Political Science (including Public finance) .. .. . 1
Essays (Economic or Political Science) .. .. . 2	
Modern European History, 19th century .. .. . 1	Economic History .. .. . 1
	Modern European History (1500-1900) or Ancient History .. .. . 1
	Jurisprudence, or constitutional law, or commercial law .. .. . 1
One subject selected from a list of ten [Economic Theory, Mediaeval Economic History, Modern Economic History, History of Political Ideas, Public Administration, Banking and Currency, International Trade, Transport, Insurance, Statistical Theory and Practice.] 4	Two special subjects in Economics, Economic History, or Political Science, with the option of substituting for the second subject either Ethics, or Geography, or a special historical subject, or a legal subject or subjects not already taken. 4
A knowledge of French and German authors, and French and German translation required in the papers of the selected subject.	

The nature of the special subjects, which it is intended the Honours commercial students of Victoria University shall choose from, is further explained in a *Prospectus of the Courses in Higher Commercial Education*, lately issued by the Owens College—Banking, Foreign Trade, Railway Transportation, Industrial Organization, and the Cotton Industry being indicated as suitable subjects.

In both schemes the commercial student has certainly been well looked after, almost too well perhaps. For it must be remembered that the degree to be obtained is, after all, one in an Honours School of Economic and Political Science. A student of Victoria University might choose, for his ten papers, two upon "The Cotton Industry," three in Commercial Law, one in Modern History, and so confine any test in general economics to one

paper in Political Science, one in Economic History, and something less than two in Economic Theory (a part of these two papers being concerned with commercial geography). If the Honours school were one, say, of applied economics and commerce (!), the consistency of permitting such a choice might pass muster. The basic principles of economic science, including, for the moment, economic history and political science, are not so limited, either in extent or importance as to be able to be *satisfactorily* covered (for such is the supposition implied in the title of the Honours school) within four papers. I would advocate a severe restriction of the options that permit such a course to be taken, and the laying of much greater emphasis upon general facts, principles, and methods, which, though they may not be looked upon as commercial, are nevertheless of more vital importance to commercial men than an elaborate and over-nice academic knowledge of the details of semi-technical subjects, for a true appreciation of which an arduous and prolonged preliminary training in economic foundations is essential. Out of a total of ten papers set for the Honours examination in this school, four papers could well be divided between the Theory of Economics (including applications of statistical methods) and the History of Economic Doctrine, two given to the very wide and (commercially) very valuable field of the Economic History of England, two to Political Science, including public finance, and one to an essay requiring a more comprehensive treatment of some problem in history or doctrine, making a total of nine papers. The remaining paper might be devoted to such a subject as Modern History, or Jurisprudence, though if the consideration that the economic history of England deserves were more fully recognized, and the extra paper assigned to the comparative treatment of a particular period or topic therein (demanding, like London, a first-hand knowledge of the principal French and German authorities), so much the better.<sup>1</sup>

<sup>1</sup> Remove the options in Applied Economics, Geography, and Law, from the Victoria syllabus, and, without any material alteration of the regulations, the papers could be more satisfactorily grouped—Economics (four papers), Economic History (three papers), Political Science (one paper), Jurisprudence (one paper), Modern History (one paper). But as Modern History is fairly well tested in the Intermediate

No doubt objection will be made that a scheme of this kind, omitting important commercial subjects, such as law, geography, and so on, is not adapted at all to the requirements of future business men. But the sort of education the commercial people have called for is already provided in the ordinary degree courses previously described, and I am not aware that they have shown interest in, or desire for, any other special modification of the university curriculum. Possibly the constructors of the syllabuses of the new Honours schools have ventured to determine for themselves what the requirements and desires of their mercantile neighbours ought to be—for what good? Adapt the Honours School of Economic Science as one will, provided that the name and professed standard of the course are not altogether belied, there will be, at any time, comparatively few commercial students (those, that is, actually preparing for the daily conflict of the industrial and commercial arena) who will follow its studies. For, as commercial students, what special advantages do they obtain from such a course as the one (Victoria) upon the consideration of which this discussion has arisen. They are already (or can be) furnished with a sufficient amount of general modern history in the Intermediate course, therefore the value of an additional historical paper in the Final is not of overwhelming commercial importance to them. No greater development of mathematical ability is secured than the Ordinary course makes compulsory. Their commercial law is not different from that for which the same ordinary course makes preparation—the detailed knowledge of a *special* course only a lawyer would require. By reason of the extra pressure of economic and technical subjects, their Final (Honours) examination does not demand from them any more thorough knowledge of foreign languages than is insisted upon in the moderate requirements of the Intermediate B.A. The academic treatment of the two special subjects is likely to involve an amount of historical and argumentative disquisition, much of which would be of little permanent value to them as strictly commercial students. The examination, the present paper might well give way to an additional one in Political Science.

chief advantage that future business men would derive from such a course, as compared with that leading to the Ordinary degree, would be the superior *mental training* resulting from the careful and systematic study of the major subjects of the university examination. Yet can such a course afford the highest kind of mental training? It is more than problematical.

Now may I suggest that an Honours School of Economics, concentrating its attention upon a thorough and scientific study of the subject, investigating and comparing its facts and doctrines so as to establish a firm foundation for future applications of the general principles evolved, its scope restricted, or largely so, to its own field of work, would afford a training far superior to that of any hybrid quasi-economic assortment of studies? Further, I am persuaded that the mental self-reliance, independence of reasoning, logical sequence of thought, capacity for detail, and yet breadth of view, likely to be developed by the unravelling of the difficult and perplexing problems springing up in every part of such work, are of incalculable importance, for that matter, to every man, but conspicuously to those who are required to bear the burdens of commercial and industrial leadership. The sacrifice of a certain amount of miscellaneous information would be of small loss to those men in comparison with the great gain of a mental equipment of this kind. However, regulations like those of the Victoria degree, requiring a certificate (or certificates) in approved subjects other than the ones appearing in the tests of the Honours papers, assure a certain acquaintance with other studies, which, if thought really necessary, could easily be made to cover a couple of foreign languages (with oral work), mathematics, history, geography, and even commercial law. In fact, the certificate of the intermediate B.A. (Vict.) includes all these subjects except the last two, which, for commercial students taking an Honours course, might form an alternative to Latin.

This criticism does not apply with exactly the same force to the Honours course of the University of London, for the greater attention given to economics in the Intermediate B.Sc. partially excuses the limitations of the Final Honours papers. No

commercial geography or commercial law is allowed to appear in the Final examination; out of the nine papers set therein, one is devoted to modern history, four to the general principles of economic and political science, and four to a more advanced treatment of general theory or history, or to a technical subject like insurance or transportation. The regulations insist upon a thorough reading knowledge of French and German, though not touching the oral work reached by Victoria through its Intermediate examination. Combining the papers of both the Intermediate and the Final (Honours) examinations, there results a total of eighteen papers, which may be classified as follows: General Economics and Political Science, ten papers; Applied Economics, four papers (which, however, may be taken in the preceding group); Mathematics (Intermediate), two papers; Commercial Geography (Intermediate), one paper; Modern History (Final), one paper. In this disposition of papers, emphasis is undeniably laid upon general principles; still, I think that, in the Final examination, the change of two of the four papers on the selected subject into a further compulsory test in English Economic History, and a division of the remaining two between Economic Theory and Political Science (Public Administration and Finance) would render the course preparing for the degree more thorough and more valuable to the student, be he desirous of pursuing a commercial occupation, or of undertaking economic research. Certain aspects of transport, banking, and currency, industrial organization, and similar subjects, necessarily receive some attention in general economics, and their elaborate handling is by no means an essential part of the education of a commercial student. So far as the purely economic student desires to specialize in the same, such branches naturally fall into the category of post-graduate, rather than of undergraduate studies.

In conclusion, if this paper causes consideration to be given to the idea that the special composite instruction apparently desired by commercial men should be restricted to the courses and examinations of the ordinary degree, and that the Honours school of economic science should be freed from the burden of undesirable extraneous or technical subjects so that its title

may be justified by a general and scientifically arranged survey of its professed field of work ; if, in fine, the previous discussion helps to emphasize the truth that an Honours School of Economic Science, rationally organized, requires no *adaptation* to commercial requirements—the very nature of its studies ensuring a most effectual kind of commercial training without any novel arrangement of courses—and that such arrangements are not only unnecessary, but also calculated, as involving insufficient training in general principles and methods, to encourage economic sciolism, the writer will be more than satisfied. And as he concludes his treatment of a thorny controversial subject, it is with the anticipated pleasure of reading and appreciating the other side of the argument.

ERNEST RITSON DEWSNUP.

## CO-OPERATION AND THE POOR.

NOT a moment too soon has Mr. J. C. Gray, the General Secretary of the Co-operative Union of Great Britain, spoken out in the Co-operative Wholesale Societies' *Annual* (of last year), calling attention to the fact that Co-operation, as at present practised in this country, fails to do more than a very little for "the poor;" that it has become exclusive, conferring, indeed, great benefits, but reserving such altogether for "the well-to-do artisan," and leaving "the poor," the people for whom it was specifically intended, practically out in the cold. Take this charge with all reserves—accusations are apt to be overstated. It still amounts to a lamentable confession of failure, as grave an indictment as could be launched against the movement. For co-operation which does nothing for the poor is like a missionary society which makes no converts, or a court of law which administers no justice.

The charge, as it happens, is not new. It must be familiar, among other people, to readers of the *Economic Review*. It has been put forward before, by others than Mr. Gray, but only to be met each time by those in office in the Union with a flat denial of its truth. In seeming refutation, the annual balance sheets were triumphantly pointed to, showing each year a new accession of strength—larger membership, more business, more capital, more profits. No such denial will any longer be possible, now that Mr. Gray has spoken. Here are his words:—

"It cannot be said that co-operation has yet succeeded in any large degree in laying hold of the very poor, and benefited them by its operations. The great bulk of the membership of the co-operative movement belongs to the well-to-do artisan class." The movement . . . has lost sight of the great aim which Owen had in

view, which was, to raise the whole of the members of the community by recognizing the forces and circumstances which governed their lives. . . . Members make no effort to ascertain whether the poor (for whom co-operation was founded) . . . are taking advantage of its benefits."

The movement has, in fact, no message for the poor, except it be this, quoted by Mr. Gray: "Provide yourselves with money, and then you can make your purchases at our co-operative shop and obtain co-operative benefits,"—which means, "bonus." Short of that, "the comfortable, prosperous-looking co-operator" gets from co-operation what he wants; "the lean, starved-looking, ill-clad man" is refused. "Where," so asks Mr. Gray, "is the equity in this, and where the boasted power of co-operation to help the poor?" Evidently "the enthusiasm and ideals of the founders have not always been maintained. . . . There is apathy all round, and no earnest conviction or faith in the adaptability of co-operation to solve the social problems that confront us to-day."

When this is said, who is to gainsay Mr. Gray, who, in his official capacity knows British co-operation better than any one else? The indictment obviously is the more severe because we know, from what is now happening abroad and from what has in the past happened in this country, that co-operation itself cannot be in fault in the matter, since co-operation has shown plainly enough, and many times over, that it *can* benefit the poor freely, and *does* so. The Raiffeisen co-operator, the foreign "Socialist" and "Catholic" co-operators, make it their specific object to help the very poor, down to the beggar on the dung-hill, and succeed brilliantly. Our own "Rochdale pioneers" started in abject poverty. They helped themselves and many others as destitute, and in the end converted those poor wage-earners into the present "well-to-do artisans." No blame can, therefore, attach to the principle. It must be our application of it which must be in fault.

The matter is one full of social importance, alike from a working class and from a general point of view, well meriting attention. Let us look a little more closely into the facts. We

shall then be in a better position to consider Mr. Gray's suggestions as to remedies.

There can be no doubt that Mr. Gray's diagnosis of the actual state of things is accurate. Seeing what is his official position, it is not altogether surprising that he does not go into etiology, but contents himself with simply chronicling what he has observed. As matters stand, however, it is not difficult to discern the underlying causes of the present mischief. Co-operation unquestionably started well, with its aim clearly set before it, and an ample force of enthusiasm to propel it. But at an early point on its course, unfortunately, it deviated from the straight line. The angle of deviation was at first very acute; the departure must have seemed slight in the extreme. However, further progression has naturally widened the divergence, and brought the movement to its present dangerous point. There was, of course, no special viciousness in all this aberration—probably, not even consciousness of a fault. It was simply a matter of logical sequence, an inevitable consequence from a first false move.

At its first start, co-operation must necessarily begin with supply—at a time when nothing was more urgently wanted than protection against extortionate and fraudulent trade. Adulteration and overcharges were rife, and the ignorance of the poor in respect of standard quality and market prices was mercilessly exploited. Even apart from such consideration, supply must necessarily be the first step taken, the first foundation laid, because only by its means could the requisite funds be obtained. There was "enthusiasm" then in the movement, as Mr. Gray reminds us, and the movement consequently went merrily forward. It was not a question merely of cheap or genuine tea and sugar, or a bonus to be found to a customer's credit at the end of the year. The original pioneers and those who followed their lead looked upon co-operation as a power which was to regenerate the world, exalt every valley, make fraud and extortion impossible, not only by setting up irresistible competition, but also by training people to respect themselves and obey their consciences, by making education universal

and abolishing inequalities, and, in general, by bringing the millennium a good bit nearer. Those were high aims. However, noble as they might be, the practical beginning must be made with pounds, shillings and pence. It was made. And, as a result, supply was found to be successful beyond anything that had been even dreamt of. The poor "lean, starved-looking, ill-clad" working man soon became the sleek "well-to-do artisan"—a semi-*bourgeois*—such a man as, probably, so far as material results are concerned, none of the original pioneers would have cared to stir a finger for, inasmuch as he would be perfectly competent to look after his own interests. The struggling, little back-street store developed into the palatial warehouse, and in due course into the princely establishment of a wholesale society. Nothing, proverbially, succeeds—nothing, unfortunately, commends itself to un-Catonic human judgment—like success. Here was, to all appearance, the true philosopher's stone discovered, the secret revealed how to bring riches to the poor! And it was a secret which appealed with quite peculiar force to the average Briton. For we are by race and constitution every one of us prone to trading ways of thinking and trading ambitions. There is not more surely the proverbial "Tartar" concealed in every Russian than there is a "shop-keeper," calculating and greedy, in every Briton. We absolutely take credit for this, and consider it a merit. We laugh at the foreigners who grow enthusiastic over ideals and look beyond the narrow horizon visible to our feeble eyes for some world-regenerating scheme, which appears to ourselves as distant as the moon. Self-sufficiently we clap our hands upon our pockets, and congratulate ourselves upon understanding better what is the genuine good to be obtained, and what the test of its goodness:—"Is there money in it?" Manifestly there was "money"—money in plenty—in distributive co-operation. Accordingly, in obedience to the familiar stock-exchange maxim, we determined to "run profits and cut losses." Supply was "run" for all that it was worth. Riches increased, and we set our hearts upon them; the ideal aims of the Rochdale gospel—"losses" as yet,—that is education, production, credit, home colonies, housing

operations—might serve very well as a showy inscription on our banner. So they were conscientiously kept on the programme! But supply was the form of co-operation to be “run.”

From that time forward the official programme of co-operation has come to be practically limited to supply. Other forms were systematically discountenanced, at most tolerated, and persistently warned that their proper place must eventually be at the back of the Victor's car, in servitude to supply. The policy has proved successful. Our co-operator has grown rich. He is thoroughly satisfied. But turn to Mr. Gray's paper, and hear the other part of the tale! A high wall has been built up, a great gulf fixed, between the few working men intended originally to be the vanguard of their class, who have made their cry within the pale, and those many more who are left outside. There is no touch, no common feeling between the two. The “poor,” as Mr. Gray puts it, have not the capacity for so much as “hearing the cry” which is addressed to them; “and did they hear it, they could not understand it.” And the wealthy are so much in ignorance of the condition of their poorer whilom class-mates, that, after nearly sixty years of successful co-operation, Mr. Gray is compelled to own that “social missionaries” are necessary “to ascertain the position of the poor, and obtain an insight into their peculiar requirements,” and so learn to “understand the difficulties and temptations to which they are exposed.” Surely here we have a dismal sequel to the old exhilarating promises of breaking down class barriers and establishing universal union! That is not all. Even the select company of those directly benefited have become depraved. “Many professed co-operators are only partial supporters of the movement; they are co-operators where it suits them to be so.” Successful as they have been, they “hesitate” to apply the principle which has insured their success beyond that elementary milchcow form which fills their pockets.

More widespread mischief still may easily result. For our success has, as a matter of course, attracted the notice of the world, and made others eager to follow where we have marched to victory. They hope to equal us by studying our ways, and

faithfully, indiscriminately imitating us. In Germany, in Belgium, in Switzerland, in Spain, we see co-operators readily adopting our organization—placing supply at the head, a powerful wholesale society at the centre, where it must dominate all the movement, with a pronounced preference shown for large stores, serving wide districts by means of numerous branches, and centralization and Prætorianism throughout.

All this clearly is the result of our excessive worship of pelf. Of course our present policy is not officially described in this way. There is a very plausible plea put forward in its defence—a plea which, in spite of its transparent falsity, it must be assumed that some, at any rate, of those who use it believe to be true. It is seriously maintained that supply is the only form of co-operation which is really “collectivist.” And “collectivism,” of course, however little we may understand its meaning, we must have. The argument apparently is this—that supply, by means of its acquisition of the instruments of commerce and production on behalf of a large body of persons, naturally paves the way for that great social conquest of all possessions within the country by the community, which Socialists bid us look to for the redemption of the world. In truth, whether that consummation be desirable or not, so far from hastening its advent, the massing together of large possessions in the hands of co-operative societies distinctly places a serious obstacle in its way. For it creates a new vested interest, which will eventually have to be bought out. And buying out a co-operative society’s interest—so offers recently made by the English Co-operative Wholesale Society to the Irish farmers who supply its Irish dairies with milk show—is likely to prove a costly process. Quite apart from this, all the arguments employed by the present leaders of co-operation in their invitations to outsiders to join are distinctly of an “individualist” character. Our cry is constantly, so writes Mr. Gray, “Come and join our stores, and you will get so much dividend on your purchases!” If this is not an individualist argument, I do not know what is. However, the whole drift of thought and atmosphere in the stores has become individualist—and individualistically gain-

seeking into the bargain—in the extreme. And quite naturally so. “*I deal at the stores,*” this is what is said. “*I draw so much dividend.*” The nominative case of the pronoun of the first person is written large upon all transactions. The individual thinks of himself in joining, he thinks of himself in dealing, and thinks of himself—once more *teste* Mr. Gray<sup>1</sup>—in disposing of his profits. The property of the society is the property of the individuals, with a proportionate share in it due to each. “Collectivism” in distribution is, in fact, an absolute myth. There is at least ten times more “collectivism”—if we must have the word—in production, which makes every one of the members think perpetually of the collective interest and exert himself to promote it. There is ten times more “collectivism” in credit, which creates a common fund and links members together in necessary “solidarity.” If the plea of “collectivism,” as being embodied in supply, is not a mere misleading pretence, it argues a want of logic in those who use it which shows how imperfectly, under the present *régime*, co-operative education has done its work, at any rate in leading quarters.

“Individualism” in itself—as opposed to “collectivism”—is, however, not by any means the count upon which, above all others, one would wish supply to be judged exclusively. What is infinitely more serious is that supply, practised by itself, and unaccompanied by safeguards which have unfortunately not been adopted, appeals, as a matter of course, not to the higher, but to the lower, the more sordid, side of human nature. It provokes the desire of “getting.” It makes us all eager—and Heaven knows in the average Briton it does not need much to do that—to add £ to £, to “run” the concern for profit’s sake. Hear Mr. Gray’s evidence:—

“In those days, we are told, it was the practice of poor working-people to meet together for the purpose of earnestly discussing the best means of improving their position, and the result of those

<sup>1</sup> “They invest their money outside the co-operative movement in all kinds of speculation which, in their judgment, may be expected to return a high rate of interest.”

discussions was the establishment of the co-operative movement. . . . Nowadays we assemble in our quarterly or half-yearly meetings to discuss balance-sheets and the prospects of furthering our business, but we seldom hear of meetings being held for the purpose of making earnest inquiry into the causes of poverty, or to discover the best means to be adopted to save the lost wreckage of human life."

Hear furthermore what managers of small, struggling, local stores have, frequently enough, to tell you! The Co-operative Wholesale Society was formed, as we know, not merely to enable a certain number of substantial stores, situated at places convenient for the delivery of goods, to purchase their supplies more cheaply, in very large quantities. Its main object was—so we are perpetually assured (and considerable stress was laid upon this point at Paris in 1900)—to enable *all* co-operative stores, no matter whether large or small, conveniently situated or not, to purchase their goods *at absolutely the same price*, be the quantity taken large or small, as an encouragement to co-operation. As, in the case of the savings banks, the profits earned on the large accounts are, in the interest of thrift, made to compensate the losses sustained, as a matter of course, on the small—that is, the vast majority: so in this society the overplus realized on large transactions was to balance the deficiency incurred on the small. That was the "co-operative" idea. However, we have ceased to think "co-operation." We now think only "balance sheet." To serve small, far away, struggling societies at a loss might indeed encourage co-operation; but it would infallibly spoil the balance sheet. And a good balance sheet we must have! For we have taken our rank as "traders," professing to compete with Lipton's, and Harrod's, and the rest. And we must be the more exacting in matters in which we can exert pressure, because, of course, our administrators, being after all only amateurs, cannot be expected—all Manchester knows that—to equal their commercial rivals in business capacity. Accordingly, a good many small societies, those lower steps of the ladder by which prosperous co-operators have risen, are not served, or served only at prohibitive prices.

Now it must be evident that co-operation cannot with impunity attempt to serve two masters. It cannot serve "balance sheet" and "the ideal" at the same time. It may serve the former obsequiously, and become a most successful joint-stock enterprise. But that can only be done at the sacrifice of those higher aims which once inspired that "enthusiasm," on the absence of which Mr. Gray regretfully remarks.

Evidently—*teste* once more Mr. J. C. Gray—we have proceeded very far already on this road to a false destination. We have placed our co-operation exclusively "upon a business footing," and that has necessarily entailed further consequences.

One such consequence is that our distributive co-operation has been in the main concentrated in large stores, to the discouragement of small, which used formerly to multiply at a steady rate. That is, at present, extolled as a distinct merit. From a mere business point of view, of course, this is absolutely as it should be. There can, in fact, be no two opinions on the matter. Judged from a business point of view, the creation of large stores, in which cost of management may be comparatively reduced, supply of goods cheapened, in which trade must be less variable, profits larger and more certain, appears as the one road to success. Success would, indeed, be even more marked still if we could only bring ourselves not to shiver on the brink of logical consistency, make only one bite of our cherry, and turn our co-operative concern at once into a joint-stock company. "You have no idea how that has improved business." So said to me the managing director of one of the largest whilom co-operative institutions abroad, recently converted into a company. "We directors are left to do things absolutely as we please; no one thinks of interfering; the general meetings have become a pure formality; and so long as we serve every one and pay a good dividend, all the world is satisfied."

Ay; but that is not co-operation. Dividend, mere trade, and easy management are not what co-operative stores were created for. Their main object was to be to provide institutions for the *education* of the poor—education in the widest sense of the word—education in everyday economics even more than in

scientific subjects—education such as would enable them to make a good fight in the world and raise themselves and their class by degrees to the more favoured position of “their betters.” Trade and easy management might, as it happens, to a certain extent, be left to take care of themselves. For co-operation has, as Lord Mayor Hoy the other day reminded co-operators at Manchester, one circumstance in its favour which secures it an immense advantage, and so makes up even for such very un-businesslike vagaries as commercial Manchester will have it that our co-operative managers are, as amateurs, often enough betrayed into. It is no difficult matter, so said Mr. Hoy, to carry on trade when you have a large fixed and certain custom. However, education wants to be looked after. That paltry 2½ per cent.—very often less—carried to an “educational purposes fund” out of annual profits, wherewith co-operators now salve their consciences, and which provides tuition in history, political economy, and the like,—not to mention occasional amusement—for such members as choose to take advantage of the opportunities offered, does but inadequately satisfy this requirement. The main education—education in business, training to business habits, business thoughts, businesslike calculation—was to be provided, and can be provided, only *in the store*, by members being left to administer their own affairs. They were to do what the original Rochdale pioneers did—come in from their work, take a turn at the counter or the books, and go home better instructed men. Now, be the large store as valuable as it will, from a trading point of view—and no one would wish it to be suppressed where it serves its purpose,—education of this sort is, for the humblest stratum of the population to be acted upon by co-operation, to be obtained only by personal management in the small store. The small store—economically speaking the elementary school of the movement—is for it absolutely indispensable. The large cannot be expected to place itself at the mercy of the ‘prentice hands of Dick, Tom, and Harry. The small store is not likely to suffer much loss. It is the small store, be it remembered, which was the beginning of that large trading establishment, with its carts and horses, and its scores of

branches. It is the small store which has, by its education, in the first instance, turned out the managers and directors who now preside over that successful business done in palatial mansions. It is the small store which has established the touch with the poor, who have now grown to be "well-to-do artisans"—and in very many instances to an even larger extent than that word indicates, capitalists, and to a lesser working men. It is the small store which has filled the ranks of the co-operative army with recruits. Our present co-operators have ungratefully kicked the ladder from under their feet by which they themselves have risen. And now they affect surprise at being left high and dry in their comparative wealth on the top of their wall! If co-operation is to be educational, if it is to spread out its benefits among the poor, attract them, raise them, emancipate them, there must be small stores as well as large. And in no way could our influential large stores employ the advantages which they possess to better purpose than in becoming propagating centres for co-operation, dotting the country around, not only with branches, but, beyond the radius of branches, with independent little societies, drawing their first support from them, just as co-operative banks in Italy and France systematically surround themselves with little village banks. You must have seedlings if you would have oaks.

To what extent the big-store policy, now so much in vogue, has influenced the co-operative movement for bad may be gathered from the peculiar regard now paid, under its sway, to capital, and the differential respect meted out to societies according to their size. In the attitude taken up towards capital, co-operation has described a complete *volte-face*. We used to be told that it was custom and labour which earned the profit, and that capital was only their hired servant, entitled to a modest fixed wage. But now the Co-operative Wholesale Society openly pleads that the profits yielded by its workshops are earned by capital, and it is accordingly capital which receives the overplus. In the Union, societies are listened to avowedly according to their magnitude and wealth. The

Wholesale Society, unique in both respects, may dictate and insist. Large local stores may "move" with a certain amount of confidence that their proposal will be attentively considered. Small societies practically only petition, and may be thankful, be their cause ever so good and their argument ever so conclusive, if they are listened to at all. Whenever I have had occasion to plead a matter before the Congress, this is what I have invariably been told from well-disposed, influential quarters: "For goodness' sake obtain a nomination from some large society, not from your own little one; you will never get a hearing otherwise." And yet we are assured that co-operation is "democratic," and knows of no respect to persons! Elenchus has been dethroned in favour of Plutus, and Democracy has been replaced by Whiggery.

Even worse has, as a matter of perfectly natural sequence, resulted from our departure from the old co-operative line. Obviously large stores cannot be administered, as has already been said, by Dick, Tom, or Harry, coming in untutored from their work. There must be trained managers and officers. In this way a further division has been brought about where there should have been the closest union. And the second is perhaps even more prejudicial than the first. The first division was made between the "well-to-do artisans" of co-operation and their poorer brethren left outside. This separation, though seriously restricting its area, still left co-operation a matter of self-help, in which those who take part in it themselves conduct the management. The second division was between the bulk of the "well-to-do artisans" and their own paid servants or feed officers. That division practically denaturalized the movement. For even among "well-to-do artisans," trained officers and committee men having access to the books naturally come to think of themselves as a superior class. They know about shop management and naturally rule the shop. Gradually they come to look upon shop management as everything, and claim to rule the movement as well, for which they are *primâ facie* decidedly not qualified, inasmuch as their shop training must necessarily lead them to take a narrow and one-sided view

of things. But here we have a distinct class of Levites raised up, who as a matter of course seek the priesthood also, Prætorians whose foremost men, once more as a matter of course, claim to become Cæsars. The parallel holds good down to the smallest item. For, to assist these claimants in their ambitious aspirations, the proscription list must be put into requisition as under Cæsar; supposed rivals must be massacred as under Napoleon III. The men of more liberal culture and independent circumstances, who come into the co-operative movement not for anything that they might get out of it, but for what they might put in to help the poor, might be found to be in the way. Accordingly they were got rid of. "We have got rid of the 'individuals,'" so triumphantly boasted Mr. Benjamin Jones, speaking on behalf of the Union, at Cardiff, with a self-satisfied chuckle, "and we do not mean to have them back." Ay, there is no room for a Pericles beside a ruling Agoracritus. There would be something to be said for Mr. Jones's plea, that working men must be left wholly among themselves—though little enough even so—were he and all those who bear rule with him really "working men." Even in that case the objection raised by a distinguished foreign co-operator of most "collectivist" proclivities, whose opinion our leading co-operators hold in high respect, seems well to the purpose. It is distinctly *not* "collectivist," so urges this gentleman, to confine the co-operative movement to any one class, be it of dukes or of labourers. Co-operation ought to be open indifferently to all. However, as it happens, Mr. Jones and those who have acted with him in the exclusion of "individuals," are not, strictly speaking, working men. They are men of the counting house, many of whom began life on a high stool, to be eventually promoted to a manager's armchair—most competent, without any doubt, to conduct ledgers and manage stores, learned in the quality of tea and cheese and admirable adepts in the purchase of butter. But they constitute a class as distinct from working men as are the directors of the Bank of England. Thus all that has been effected by the exclusion of men of the class of Neale and Hughes (who might conceivably have been prompted by vanity or overconfidence in their own

judgment, but could not possibly be actuated by egotism or self-seeking, and whose interest in the poor could absolutely not be questioned), is their replacement by another set of non-working men—very worthy, presumably very able in their way, but distinctly not without an interest of their own in the movement, about the magnitude of which a discreet silence is kept, and who make their connexion with the movement a “career.” Mr. Gray shows that, at any rate, they have not kept in touch with “the poor.” Neale and Hughes did. And they may have done more. Now that they are gone, and officials are left face to face only with the *οἱ πολλοί* of the movement, less capable of checking and controlling, it is perhaps not altogether to be wondered at that stories sometimes get abroad, such as are rather current in Manchester, reflecting not upon “buyers” only. Let us hope—we are bound to assume it—that they are untrue to the last syllable! But it would be better far if they could never have been started. They do not make the extension of co-operation easier.

There can be no doubt that a state of things has been brought about which urgently calls for consideration and amendment. It is the enthronization of the golden calf which has carried the movement away from the straight line. “*Auro loquente nihil pollet.*” Gold brooks no rival, and it is apt to extend its sway like a Bismarck or a Napoleon. It is the substitution of merely material aims for ideal, the conversion of the intended means into the main end, which have made co-operation fall from its high estate; made it brilliantly successful, paying like a gold-mine, but barren of the results which it set out to attain; luxuriant in foliage like the fig tree on the road to Bethphage, but void of fruit; without touch with the poor; gaining a world, but losing its own soul.

Understanding what the cause of the decline is, we are now in a position to consider the value of Mr. Gray's proposed remedies. Some of them are indeed undoubtedly most deserving of acceptance. Thus a clear case is made out for the suppression of entrance fee. Co-operation no longer requires that. It is bound to act as a barrier to poor men. And Mr. Gray

shows that it acts, in addition, as a direct tax. For poor people, who occasionally are driven to withdraw the whole of their balance (by which act they *ipso facto* cease to be members), have been known to be made to pay their entrance fee four times over in one year. One cannot feel equally confident as to the value of the proposed "slum-and-alley concerts," which are to attract recruits. Do co-operators really need such mountebank jingle? The early co-operators did without it. And good wine ought to need no bush. Better trust to the goodness of the cause than to meretricious allurements. Without doubt a fresh impetus imparted to the housing movement would be a real boon, and gain recruits much more effectually than such drums and bells. And one may well hope that Mr. Gray's well-timed admonition may lead to the adoption of his advice in respect of this count. But he appears to go a little too fast when he urges present experiments in the formation of "home colonies." No doubt early co-operators distinctly had such in view. But we are scarcely yet fully ripe for them. There is so very much other ground to be covered first! "Rowton Houses," so one would say, lie beyond the proper sphere of legitimate co-operation, since co-operation has in the main only withdrawable money at its disposal. The acclimatization of co-operative credit would be a genuine gain—provided that we could make sure that it would be applied in the proper spirit. Unfortunately, what we see now among our co-operators is not encouraging under this aspect. There was the "Aid Fund," which has worked harm instead of good. There is the employment of "credit" by the Co-operative Wholesale Society, so much complained of in Ireland, since it is used only to "tie" farmers, as purveyors of milk, to the so-called co-operative dairies of the Wholesale Society. And some of us may remember the curious pleading of B. J., L. B., the chosen mouthpiece of official co-operation, put forward in a recent *Annual* of the Co-operative Wholesale Societies, asking for many millions of co-operators' money to be entrusted to his competent care, to serve for purchasing railway shares in such quantity as would entitle him and his comrades of the co-operative front bench to comfortable, well-paid

directorships, from which even the board at Balloon Street could not remove them. That scarcely promises well for co-operative credit, which wants to be applied in a different spirit.

However, it is not so much Mr. Gray's suggestions in detail that seems a little questionable as the general tone which characterizes them, and which is presumably due to the influence of his Manchester surroundings. Take these proposals altogether, and you will find that they represent mere surface remedies, which do not touch the root of the matter, graftings where root and sap are in fault, matters of method and not of principle. To make things worse, they seem just a little patronizing and condescending. "Give the poor something," so in effect says Mr. Gray. "You have the money. Organize relief works for the unemployed. Pay another 2½ per cent. out of your profits for social mission work. Amuse these people with bands." The social missionaries are to go among "the poor," "not so much as co-operators, but as sympathizers." It reminds one just a little of West-end "slumming."

Is there not something of a false ring about all this? Is it quite what Owen or our early "pioneers" would have suggested? And does it not suggest going unnecessarily afield for artificial remedies, when very simple means to a radical cure lie temptingly at hand? On Mr. Gray's own showing the tree has deteriorated, hence its fruit has become bad. And yet what he suggests is a few exotic graftings and a little bending of some branches. That will never suffice to set the matter right. The mischief which has caused the deterioration and produced this unnatural, puffy and overgrown fruit, is a malady which affects *the sap*, the life-blood itself, but which may happily be cured by a remedy applied above the root. The root, fortunately, is still sound. The plant is the old, genuine stock, planted on the banks of the Roch and the Spodden well nigh sixty years ago. It is a "co-operative spirit" which wants infusing afresh, without which, however brilliantly successful an organization may be by mechanical action, it must be, co-operatively speaking, dead.

It is impossible, of course, to define "co-operative spirit." But it is easy to see where it is absent. And Mr. Gray's story

appears to serve admirably as such an indication. So, again, it may not be easy at once to trace out a new path for co-operation to follow. But when you have got into the wrong place it is always possible to go back—to go back, in this case, to first principles,—to go back, as Professor Gide well urged the other day at Rochdale, to the practices of the early Rochdale pioneers, who certainly had not got out of touch with the poor, and whose simple wisdom has not yet been surpassed, nor yet even equalled in the movement. What that means is, happily, perfectly clear. For we know how the Rochdale pioneers proceeded.

What effect is Mr. Gray's proposed message to "the poor" likely to produce? He says: "Come and join *our* stores, and you will be entitled to bonus." After the lamentable failure of the "People's Societies," organized by the English Wholesale Society, surely that message has lost all its charm. By all means let us send out missionaries. But let it be with a different message: "Here we are, ready to buckle to our work together with you, to show you how to organize *your* stores." If we are to gain the confidence of the poor, we must make ourselves one with them, descend from our pedestal, help them on *their own spot*, and work *with* them. The store must be *theirs*, however small, however humble, however struggling. We *must* begin with the elementary school of the small store, before forcing our pupils into the great college of the large. Co-operation is *self-help*, and is only to be practised by one's doing things one's self, so as to learn with one's eyes, and head, and heart, as well as with one's money. It is absolutely essential that "the poor" should be interested, made to care for what they are themselves doing, rendered willing to work in educating and raising themselves, taught to think for themselves. Their first thinking may be amiss. Still, it is far better that they should think, and act, for themselves faultily, than that they should be made mechanically to accept superior wisdom ready made, at second hand.

What is it that hinders the creation of small "elementary" stores such as are here suggested? Not exclusively the

indifference of our "well-to-do artisans." We have become hide-bound also by our habitual slavery to habit and certain methods. In Italian towns we see a whole cluster of co-operative banks working side by side, in thoroughly friendly relations, catering for all classes, *étagées* from the £4 *bourgeois* bank down to the 4s. working man's. And the poor are not "forgotten." In Milan, though the middle-class *Unione Cooperative*, of which we hear so much, and which is the only local co-operative society that our co-operators have deigned to look at, absolutely fails to attract working men, yet co-operation prospers among the poor, because they have their own distinctive co-operative stores—not to speak of banks and productive societies,—one alone having even more members than the *Unione*, and doing a good business. So, once more, in Germany, by the side of the old-fashioned middle-class stores, more or less socialist working men's stores have risen up, in direct competition with, nay, in open, bitter antagonism to, the other. Our Union, apparently, side altogether with the newer stores. However, the action which they have taken would be altogether impossible in this country. Why? Because, in our pedantic attachment to hard and fast rules, we have in each district given a monopoly to only one store, without taking care to see that it does its duty by those whom it is intended to benefit. We are so terribly afraid of "overlapping!" Accordingly, together with undesirable competition, we have excluded all possibility of healthy rivalry, and brought back things to the old feudal state, which says, "nulle terre sans seigneur." There must be only one lord everywhere, entitled to take the rent, to compel you to carry your grist to his mill, and so on. If his government be not good, the district must go without his services. And under such rule we have the poor, as Mr. Gray complains, left outside. It is evident that in our support of a monopoly we have gone too far.

If, then, we are to advance, unquestionably the self-stultifying, self-mutilating restriction of approved co-operation to practically only one authorized form will have to be dropped, unless we are to go on becoming narrower and narrower, and losing touch more and more with the poor. Co-operation, to adapt a famous saying

of Gambetta, is not a "method," but a "principle," rich in varied forms of application. It holds in its cornucopia many different gifts, qualified to meet practically all requirements of the poor. We persistently, obstinately limit ourselves to one. However, it is idle to send "social missionaries" among the poor, to inquire into their "peculiar requirements," unless we provide them at the same time with wares which will satisfy those requirements. Our bagman coming among these victims of many forms of suffering with only one remedy, given out though it be as a panacea, must needs appear to the sufferers as almost purposely sent to mock them. "My poor women," so said to me, some years ago, a well-known organizer of East End female labour, who well knew what authorized co-operation is, "are far too poor to adopt your co-operation." And Mr. Gray's reference to the four entrance fees in a manner bears out her statement. It may interfere with the monopoly of power now held by the great lords of supply; but if co-operation is to enroll the poor in its host, it will have to recover its lost elasticity, its many-sidedness the balance of early days, which must of itself be helpful to correct prevailing abuses. Supply is the *road* on which we have to travel. As such, it is absolutely indispensable. But it is not our ultimate destination. Accordingly, if good is to be done, the present narrow limitation in respect of form, and, above all things, the engrossing idolatry of the balance sheet as the one standard of success, will have to be abandoned. What is wanted, as Mr. Gray testifies, is "enthusiasm." Now, manifestly enthusiasm is absolutely not to be got out of golden sovereigns, be they ever so many. Show "the poor" a noble object to strive for, in which they can be made to feel a vivid interest, and their enthusiasm will be kindled readily enough. You may observe this abroad. It is distinctly the "religion" of "Catholic" co-operation, the "Socialism" of "Socialist," the ideal accepted as lofty in either case, which fires those two branches of the co-operative movement with their characteristic zeal and earnestness, gathers "poor" around their banner by thousands, and enables them and their classmates successfully to raise themselves by their own efforts. In the last place

we shall have to get rid of Prætorianism, and restore fully democratic self-government.

When the Church neglected the poor, a Wesley sprang up, to be later followed by a Booth, to cultivate the neglected ground, with the result of drawing many away from the old fold. Our official co-operation has not yet come to such a pass as makes the uprising of a rival movement likely. However, it fails, as Mr. Gray shows, to do the work for which it was created. To its shame, large tracts of social land still lie unreclaimed. Thousands—it may be millions—not being brought into the fold which was set up for them, are likely to be predisposed in favour of other pretended “gospels to the poor,” and eventually, it may be permanently, lost to co-operation. One cannot regard such a state of things with equanimity. It would be sad indeed if co-operation were to fail in doing the work for which it was specifically devised, by reason of its very success.

HENRY W. WOLFF.

## THE NATURAL OUTCOME OF FREE TRADE.

**I**N the last October number of the *Economic Review*, Mr. Walter F. Ford told us, by way of warning, that the natural outcome of protection would be trusts. It is the object of the present article to show that the natural outcome of free trade is the decline of British industries.

Only thirty years ago England took the lead of all nations of the earth in productive industry. She was supreme in commerce, and pre-eminent in invention and enterprise. At the present day her supremacy is gone, her commerce is declining, and the inventive skill and pushful energies of her people are disappearing. Thirty years—only a short span in the life of a nation—have sufficed to produce this change.

In the year 1846 the Corn Laws were repealed. The beginning of our industrial and agricultural decline may be dated from about the year 1875. During the period between 1846 and 1875 the disease was incubating. The poison had been introduced into our system, but its effect was not felt at first. It is an undoubted fact that, as soon as our free-trade policy began to bear fruit after its years of incubation, so soon did our decline as a nation of producers and inventors, and the corresponding rise of other nations, commence. The natural outcome of free trade, the encouragement of foreign production to the detriment of our own, did not become apparent until the seventies, because before that time the foreigners were not prepared to make use of the advantages given to them by the sudden reversal of our commercial policy.

If a doctor were to discover that a change for the worse in his patient's health appeared simultaneously, and continued concurrently, with a change of habits and mode of life, he would at once surmise that these two facts were connected as cause

and effect, and that there was a *prima facie* case for investigation on that basis. But when the development of a new economic policy is found to coincide with a gradual falling behind in the struggle for commercial supremacy, the English nation can see no connexion between the two phenomena. The majority of our people remain wedded to free trade, and shut their eyes to its natural outcome, which has partly been already felt and is partly looming up in the future.

It is possible to understand how the nation failed to perceive this natural outcome thirty, or twenty, or even ten years ago. We can explain, though not excuse, the indifference and callousness with which the sudden collapse of our agriculture in the early eighties was acquiesced in. That was a period during which the trades of middlemen, such as shipping, banking, and merchandizing, were being fostered by foreign importation, and this blinded the nation to the decay of our agriculture and home industries, which had simultaneously set in. Moreover, during that period many other potent factors were at work, and helped to obscure the effect of the new economic conditions. Great Britain was then at the zenith of power and the enjoyment of accumulated wealth. In those days the foreign produce was imported in ships owned in England; the middlemen who derived the profits, the builders of the railways over which the produce was carried, and in many cases the owners of the foreign lands on which it was grown, were Englishmen. At the same time there was a marked shifting of capital within the country, which gave a superficial appearance of individual prosperity, but could not in any way increase the prosperity of the nation as a whole. All these circumstances tended to cover up the consequences of free trade, but they were only temporary, and are evidently fast disappearing. Ere long the natural outcome of our policy will become apparent in all its nakedness. However the blindness of our people in the past may be accounted for, it is incomprehensible that they cannot see whither we are drifting to-day.

One of the natural outcomes of free trade has just occurred in the capture of whole lines of our ships by the Morgan "combine." We have had a Royal Commission to investigate the

matter, and we have been told about the wonderful progress of other nations in shipping, the effect of subsidies, railway freights, combinations, and trusts; but no one has alluded to the simple and obvious cause of this catastrophe. It may be stated in a few words. We import from America about 140 millions' worth of goods. We export to America about 35 millions' worth. The handling of the 140 millions belongs to the American producers and the American railroads. It rests with them to ship this enormous freightage in whatever vessels they choose; and they have decided that these vessels shall be American in future. Lavish Government subsidies to our Cunarders, and patriotic counter-combinations, may put off the evil day for a few years, but it is certain that in the long run they who have the freights will have the ships. Thus the loss of our shipping and maritime supremacy is a natural outcome of the policy which had its inception in 1846, with the encouragement of foreign wheat-growing at the expense of our own farmers, and in 1849 with the repeal of our Navigation Laws.

When the history of the time through which we are passing comes to be written, nothing will seem more amazing than the sullen adherence of our people to the antiquated and obsolete economic theory of *Laissez faire* in the face of new and gigantic forces which are striving on every side to crush and overwhelm us. Free traders have themselves attributed the adoption of their theory by Great Britain to a miracle, and it certainly seems to be believed in as something of supernatural origin, too sacred for investigation. Like the adherents of a religious creed, free traders may be divided into three classes—the leaders, the believers, the doubters. The leaders have of late years dwindled to comparatively few, but what they lack in number they make up in fervour. They do not recognize any material change in England's commercial position during the past fifty years. Their stock in trade are the tenets of Adam Smith, the prophecies of Cobden, the speeches of Bright and Gladstone, and the theories of Ricardo, Mill, and Farrer, all of which they insist must be accepted without question. If facts conflict with these theories and prophecies, so much the worse for the facts. It is quite

useless to reason or argue with these men. The second class of free traders are the believers. They desire neither to argue nor think about the subject. They say that the question was fought out and settled fifty years ago, and the result has been to make England rich. They do not see how the grounds of their belief are being undermined. They will stick to their faith, until at no very distant day it suddenly collapses. The third class consists of the doubters. They are becoming more numerous every day. Of late their doubts have been clearly expressed and openly stated in magazines and newspapers. The doubters do not shut their eyes to existing facts. They observe with alarm the disappearance of our supremacy in trade, and the advance of America and Germany. But they are unable wholly to emancipate themselves from their early economic training, and the glamour of the free trade idea still affects them so strongly that they anxiously search about for other causes than our fiscal policy to account for our commercial decline.

Mr. Ford's article, entitled "A Natural Outcome of Protection," illustrates in many respects the attitude of the doubting free trader. It does not ignore present-day facts, and its arguments may therefore more profitably be answered from the protectionist point of view than those which are mere repetitions of antiquated theories regardless of modern conditions. It is the doubters who, if their objections are answered, may become converts; and it is the purpose of the following observations rather to answer the points raised by Mr. Ford, than to provide a complete statement of the case for protection.

Mr. Ford opens his article with an allusion to the most striking result of free trade—the continually increasing value of our imports and the decreasing value of our exports, causing year by year a larger adverse balance of trade. Mr. Ford shows that he is not one of the orthodox free traders, by not being content with their favourite argument that increasing imports show increasing prosperity, because imports must be paid for by exports, and the balance of trade must be made up by invisible exports, excluding capital. Mr. Ford confesses to a feeling of uneasiness that there is "a leakage somewhere," and that we

must be paying for some of the excess of imports by a transfer of capital. Now, it is important to have an adherent of free trade admitting that we are paying our way in part with capital. It indicates an awakening to the gravity of the fact that we who were lenders to the world are becoming borrowers. Mr. Ford does not conceal the fact, but he searches for reasons to account for it other than free trade. Thus he adduces the South African War as a "temporary cause," but this is merely dragging a red herring across the path, for while doubtless the war has aggravated the evil, there are clear signs that the tendency to draw upon our capital has been progressive ever since foreign nations have been ready to take advantage of our open markets—that is, since the period between 1875 and 1880.

But it is evident that Mr. Ford, with every desire to exonerate free trade from responsibility, has been unable altogether to suppress his doubts whether it is possible to do so. His concluding observation on this point is that "in any case it is difficult to see how we should have passed through the ordeal better under a system of protection." A brief consideration should suffice to remove any such difficulty. It is self-evident that under a system of protection our imports would be reduced in volume. At the present time their value exceeds 500 million pounds. It has been computed that if a duty of 20 per cent. (taking this figure as an average, some articles being free and others taxed higher) were imposed, our imports would drop in due course by 30 per cent. or 150 millions. This would go a long way to redress the adverse balance of imports and exports. But Mr. Ford will say, "It is true that our imports would decrease, but so would the volume of our exports." This is a crucial point; and I am prepared to join issue upon it, and to assert that under protection the declining tendency of our exports would be checked. It is even likely they would increase.

It will be convenient in supporting this proposition to follow Mr. Ford's line of argument. He says, "Customs duties increase the expenses of production of any given commodity by at least the amount of the taxes paid upon all dutiable articles used in its manufacture. . . . Clearly, therefore, it (a protective tariff)

must in every case lead to an increase of general prices." Mr. Ford thus assumes that customs duties would increase the cost of production. Now, in the first place, it is inaccurate to suppose that the cost of an article to a manufacturer would be increased by the amount of duty imposed upon it. Customs duties would go into the pocket of the Government, and thus give relief from other taxes. Assuming a manufacturer were to pay an indirect tax in the shape of an increased price of an imported article, he might gain a corresponding advantage in relief from direct taxation, such as income tax, stamps, local rates, etc., which, under free trade, have become a grievous burden. Furthermore, customs duties are, as a matter of fact, frequently paid in whole or in part by the foreign producer. Also no one proposes to put a tax upon raw material which we cannot produce ourselves.

But even if material were dearer, nay more, even if labour were dearer, it is still the fact that under protection we could produce cheaper and could export more than we now can under free trade. The reason for this lies in the principle to which Mr. Ford himself refers, namely "the economies resulting from production on a large scale." Mr. Ford does not, like most free traders, ignore this supremely important factor in modern productive industry. He, indeed, recognizes that it is the main source of the success of the American trusts. But he does not consider whether, if English manufacturers were encouraged to produce in large quantities by having their own home market secure, the same law would apply here also to the benefit alike of consumer and producer.

The truth is that this modern principle of cheap production by making in quantities has completely upset the old principle of the free traders, that customs duties would increase the cost of production. But no free trader has ever attempted to grapple with the entirely new situation which has thus been created, although the point is an absolutely vital one. A century ago, when Adam Smith lived; or half a century ago, when Mill and Ricardo wrote their didactic but now discredited political economy, the old maxim was partially true; for at that time

labour was the chief item in the cost of production, steam power was in its infancy, and the uses of electricity and machinery as employed in our works to-day were unheard of. But at the present day the case is entirely different. Out of a thousand manufactured articles—from a screw to a locomotive, from a button to a railway bridge—there will not be found a score to which the modern law does not apply, that the quantity produced is the chief factor in the cost of production. I have myself made screws by the dozen, and they have cost 2*d.* a piece, and I have produced screws identically alike by the thousand gross, at a cost of less than a farthing: the screw being made in the one case on an ordinary lathe, and in the other on an automatic screw-making machine. The question, therefore, which the manufacturer of the present day has to ask himself is, not so much, "What will be the cost of labour and materials?" as "Can I make in such large quantities that it will pay me to put down the modern plant and machinery, and carry out the organization necessary for cheap production?"

The truth of this, so far as manufacturing industries are concerned, cannot be disputed, but it applies also to those branches of agricultural industry in which it is possible to employ modern machinery to increase the volume of production. Thus cheapness in production depends upon quantity, quantity depends on demand, and demand depends upon markets free from unfair competition. Such markets obviously cannot be obtained by a manufacturer in a free-trade country when all the surrounding markets are protected. His foreign competitor, on the other hand, not only has his own market secure, but a share in the free-trade market as well. Thus, under present conditions, the cost of production must always be less to the American or German than to the British manufacturer. This is why the British producer is continually being undersold in his own home market.

Of course the orthodox free trader replies that the foreigner, by thus underselling, confers a benefit on the British consumer, who gains by obtaining what he requires very cheap. Mr. Ford repeats this argument, not apparently perceiving how

short-sighted and mischievous it is. In the first place, though it is constantly asserted, there is no evidence to prove that the Americans and Germans do, as a regular course of business, really sell us their surplus at less than cost price, while making their own consumers pay increased prices. All the cases in which the foreigners are selling goods here at less than cost price are exceptional cases, and are owing to the express and deliberate purpose of destroying some British industry. It is clear that those who have a profitable market at home can outlast their British competitors in selling for a time at unremunerative prices here. The inevitable result is, that the British producer is compelled to succumb; and as soon as the foreigner has got the whole trade in his own hands, he raises the prices at his own sweet will. It is really impossible for free traders to maintain at the present time, in the face of facts, that free trade enables us to undersell the foreigner, and that the foreigners cannot undersell us except by fleecing their own countrymen. The constant decrease of our exports, and the constant rise of exports from protected countries, is a sufficient answer to this contention.

But the free trader falls back on another argument. He maintains that the producers are only a few in number, and that their interests are not the interests of the country as a whole. But it is not the case of a few individuals being crushed out by foreign competition, it is the destruction of whole trades. Thus we have either destroyed or seriously crippled our agriculture, our silk, optical, glass, fancy leather, aniline dyes, medical instrument, telephone, watch and clock, and hundreds of smaller industries; while our large trades, which manufacture iron, woollen, and cotton goods and the like, are all threatened, and will inevitably succumb if our policy continues much longer to be that of *Laissez faire*. And not only are our old industries being ruined, but it is also the fact that no new industry has been started in this country during the last fifteen years.

How can these facts be reconciled with the theory that free trade enables us to produce cheaply and helps our export trade? Who is going to provide the exports in future? Will it be the

consumer, or the middleman whose trade it is to buy everything abroad ? If we persist in our policy of killing all our productive and manufacturing industries, how are we going to replace them, or can we get on without them ? Our policy is to do everything for the consumer and the middleman at the expense of the producer ; yet all around us we hear the cry, " Manufacturers and workmen, wake up ; be energetic and enterprising ; educate yourselves ! "

It is a vain and fatuous cry. Neither energy, enterprise, nor education is possible to the British manufacturer, so long as those in power fail to realize that free trade is fatal for productive industries, which have to compete against protection. This question is vital to our existence as an empire, and vital also to the masses of our artisans and labourers whose daily bread depends upon the prosperity of our manufacturing and agricultural industries. Every workman is a producer, and it is nauseating to hear the perpetual cry that he is only interested as a consumer, for whom cheapness is the beginning and end of the object to be attained. Even if real cheapness were obtained by free trade, it would be economically disastrous to sacrifice everything that enables our people to buy at all in order that they may buy cheap ; but when, as the truth is, the cheapness (where it exists at all) is only temporary, and is the certain prelude of universal dearness, the stupidity of crying " Cheapness at any cost " becomes almost incredible. Every nation except England helps and encourages its producers. Nobody disputes the proposition that the vast majority of the individuals who compose our population must produce before they can consume, or, in other words, must earn before they can spend ; but our modern free traders steadily ignore this principle in regard to the nation as a whole. The reason is that they insist upon considering the nation as a capitalist rather than as a wage-earner.

A man with capital can, if he likes, live for a time upon his capital, and, so long as he does so, his one and only concern is to get everything as cheap as he can. But a poor man is dependent upon what he earns day by day, and if his means of earning a

livelihood become less and less and finally cease, it is poor consolation to him to know that he might, if he had any money, buy things very cheap. England is in the position of one who has in days past amassed capital, and she can for a time live upon it; and it is this fact which shuts the eyes of our free traders to the need of protecting our producers. It is desirable, then, that the doubting free trader should ponder over these things, when he is assured by his teachers that it is better to go to France and buy an article for 19s. than to get it made here if it can only be produced for 20s. That shilling saved means discouragement to English masters and workmen, and the loss of knowledge, experience, good will, and commercial connexions. What this portends may not strike those who derive their economic views only from books, but it is real enough to the manufacturer who is told by lifelong clients that they can buy from him no longer, and has to "scrap" his machinery and dismiss his workmen. It is real enough also to the workmen who are dismissed.

However, the free trader is quite ready with his answer. He says, "If a man cannot make an article as cheaply as another can, let him turn to another article for which he is better fitted. It is really a kindness to the British manufacturer to buy the French article, for it will make him take up something more profitable." But of all the fantastic and unpractical ideas which have emanated from the inexperienced free-trade brain, this is the most senseless and the most cruel in its results. In practice it amounts to this: A manufacturer who has his capital invested in large works and machinery for the manufacture of some particular article, and who finds some Saturday night that he is finally defeated by the flood of surplus goods poured into his market by his protected foreign rival, is to start on Monday morning to make some completely new article, for which all his plant will be useless and his works unavailable. What the result of the dispossessing of an industry is has been proved by experience. It is unmitigated waste and uncompensated loss to the country. I have seen what happens over and over again during recent years—the master becomes a middleman, and the

workmen join the ranks of the unskilled and fill the slums of our cities. The process has been going on for at least fifteen years past, checked now and then by some impetus given to middlemen by Government disbursements, or some shifting of capital, but destined in the near future to have an ever-increasing effect in the reduction of wages and the increase of the unemployed.

Such is the effect of buying abroad articles which were formerly made and bought in England. And, if the article is a new invention, it will very probably be found that it is necessary to go abroad for it as it is not made in England at all. What does this mean? Simply that our masters and workmen have no chance of discovering and adopting new inventions. Technical industrial education, which so many people are crying out for, is perfectly useless without an adequate market, in which to reap with success and profit the fruits of such education. Our workmen are condemned by free trade to a monotony of labour all the year round; they have no scope for the exercise of their skill and inventive faculties, which accordingly become lost through disuse. The necessary conclusion is that our decreasing exports are the natural outcome of our free trade, which deprives our producers of their principal field of energy, enterprise, and self-reliance, namely their home market; and the certain consequence is that our industries will one by one disappear, and our exports of home manufactures will year by year diminish more and more.

But, if this evil is the natural outcome of free trade, we are told by Mr. Ford that there is another evil from which we are saved by free trade, namely trusts. Now, to begin with, Mr. Ford cuts away the ground from under his feet by conclusively proving that the success of the American trusts is the result, not of protection in America alone, but of protection in America coupled with free trade in Great Britain, which is a very different thing. Mr. Ford explains that the great power of the American trusts arises from the fact that they can avoid restricting their output by flooding the open English market with their surplus goods at very low prices. It is obvious, therefore, that if they were excluded from exploiting our market

they would be deprived of much of that power of which Mr. Ford complains.

But let us ask further whether Mr. Ford really succeeds in proving trusts to be so great an evil as he says they are. A perusal of his article seems to suggest that, like Balaam, he has set out to curse but ends by blessing. Thus he tells us that "combination affords the best method of enabling manufacturers to earn higher prices;" and again, that "trusts are formed with a view to effecting working economies." He points out that trusts are able to effect "economies resulting from production on a large scale," which they can secure "in the highest degree." He says, "The trusts can well afford to employ the very best machinery, and to make use of every advantage afforded by production on a large scale." Again: "From the producer's point of view, profits which are at once lucrative and stable represent the highest point of prosperity; and this commercial elysium is undoubtedly secured under the trust system." I regard this as high praise for trusts, for the efficient conservation of its natural resources and labour is the life-blood of a nation.

But what are Mr. Ford's accusations against trusts? His statement, that "trusts are drawing the wealth of the general mass of the people," bears a close resemblance to the line of argument of the old free traders. Their method was to lay down a highflown general statement, assume it to be true, and then base their entire argument upon it. If you substitute the word "landlords" for "trusts," in Mr. Ford's assertion you have Cobden's plea, which was responsible for the repeal of the Corn Laws. Free traders have had their way, and have despoiled the protected landlord—the hated monopolist; but the question is, what good have they thereby done to the farmers, the labourers, and the nation at large? When we look at our pauperized and deserted countryside, our farmers' profits so steadily decreasing that they are unable to bear the burden of the rates without assistance from the State, the answer must surely be "None." The fact is that the process of killing the rich men of a nation is, under modern conditions of industry and society, invariably accompanied by a deterioration in the lot of the poor. The

prosperity and wealth of a nation must be treated as a united whole: a policy of ruining one class for the supposed benefit of another is fatal to all alike.

In support of his statement Mr. Ford refers to the price of steel rails. Americans, we are told, have to pay 29 dollars a ton, whereas the cost price is only 16 dollars, and Englishmen can buy them (from America) at 16½ dollars. But let us look a little further into the facts of the case. Only ten years previously to the commencement of the American Steel Trust, Americans had to pay £10 a ton (50 dollars) for steel rails from England. If there had been no protection and no trust in America, the American consumer would still have been buying his rails from us at a price 70 per cent. higher than the price of the trust. As it is, he buys them at the lower price at home, and his money goes to the home manufacturer—his fellow-countryman—and helps to pay rates and taxes, endow public institutions, raise the standard of living, and educate those “masses” in whose behalf our free traders profess so much and effect so little.

But, says Mr. Ford, the trust in reality benefits the foreigner (in this case the English consumer), who gets his rails at little over cost price. Now, is this true? Are we really deriving so much benefit? It is the constant assertion of the free trader that we are; indeed, it is the main support of his theory, but it is based on an entire misconception of the tendency of modern commerce. Let us at once dismiss the idea that the foreigner sells us a particular article so cheap because he is compelled to do so by the virtue of free trade, or out of charity and friendship to us. He does it of his own free will and for his own profit. He is well aware of the countervailing advantages which make it worth his while to forego profits in our market for a time, and even to sell at an apparent loss. He knows he will thereby get the mastery of a new market. He sells one article cheap that he may be able to sell two dear. He will be enabled to sell in large quantities instead of small, and to obtain cash instead of giving credit; he will save many of the expenses of selling and pushing and advertising his goods; he will save in freights,

and eliminate the middleman. But, above all, as above stated, the foreigner has his eye on the future. He undermines his English competitor, and as soon as the latter has succumbed to the inevitable, his foreign rival has it all his own way, and immediately raises his prices, with a polite acknowledgment of gratitude to the English free trader who has so innocently fallen into his hands. It is high time for the English consumer to awake from his dream. Let him take for his motto "*Timeo Danaos et dona ferentes*."

But let us grant that trusts do exhibit that blemish in human nature—the effort to get rich regardless of injury to the pockets and feelings of our neighbours; I still maintain that, at the present time we must not be frightened of them; on the contrary, that it is absolutely essential for us to adopt not only protection but trusts as well. The ever-increasing competition, the keenness of the fight for markets, the intense efficiency of our competitors abroad, their great facilities for drilling and marshalling their industrial forces, their scientific employment of capital, the feverish energy of the masters, the education and skill of the workmen, demand the most earnest attention of all who are interested in the commercial welfare of Great Britain.

Can Mr. Ford tell us how we are to meet these gigantic forces and conquer them, or even hold our own in the struggle, otherwise than by combining our forces, even, if necessary, by the formation of trusts? Or does he still, like the average theoretical free trader, advise us to leave the whole problem alone and let things take their course? If *Laissez faire* is to be our policy in the future as it has been in the past, then the day of England's supremacy is over; for nothing has been more certainly proved by the experience of hard facts than that the acme of efficiency in production—the thorough utilization of the natural resources and the brains and labour of a country—has been attained through protection and through combination, which is encouraged by protection; while the outcome of free trade is found to be inefficiency, the splitting up of force, and decay in the nation's productive energy.

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## SOME ASPECTS OF THE NATIVE QUESTION IN SOUTH AFRICA.

**I**N considering the problems which arise from the contact of races at different stages of culture, a precise and accurate knowledge of the conditions—physical, psychological, and economic—is of paramount importance. This is especially the case in South Africa, where the intrusion of a new, or at least an unusual factor, namely, the rapid rate of increase in the numbers of the native population, has brought about a difference in the nature of the problem so great as almost to be a difference in kind. For this reason any discussion of the Native Question as it presents itself in South Africa, as well as any attempted solution of the difficulties to which it gives rise, must be based upon a clear comprehension of the conditions which have to be taken into account before anything like a just and equitable solution of the problem can be attained.

The predominant element in the native population of South Africa is composed of tribes belonging to the great negroid family known, principally for linguistic reasons, as the Bantus, and may roughly be divided into the following three groups:—

1. The Zulu Xosas, or Zulu Kafirs, distributed over Zululand, Kafraria, Transvaal, and Matabeleland.
2. The Basutos and Bechuanas of Basutoland, Orange River Colony, Transvaal, and Bechuanaland.
3. A heterogeneous group consisting of Amatongas (Zululand), Swazis (Swaziland), Fingoes (Cape Colony), and the Mashonas and other allied races of Rhodesia.

The Bantus in South Africa represent successive waves of immigration from the north, and have only settled in their present situation within comparatively recent times. Immigration from north of the Zambesi is still going on. Earlier

strata of the population are represented by the Bushmen, Hottentots, Namaquas, and Korannas, and by the Vaalpens of the Northern Transvaal; but these races are, comparatively speaking, numerically unimportant, and in most cases appear to be slowly dying out.

Unlike most backward races when brought into contact with civilization, the Bantus have shown themselves singularly adaptable to the changed circumstances. Originally a prolific race, now that inter-tribal warfare, the principal check on the increase in population, has been stopped, and since, owing to the good offices of a paternal administration, famines have become rarer, they are rapidly increasing in numbers. What exactly is the rate of increase it is not easy to say, but in some districts the population has increased at a rate of something like 80 per cent. in a few years, as is shown by the following figures :—

**RATE OF INCREASE OF THE NATIVE POPULATION  
OF CAPE COLONY.**

			Year.	Population.	Per cent.
Cape Colony proper	..	..	{ 1875 .. 1891	{ 484,201 .. 619,547	.. 27.95
Griqualand West ..	..	..	{ 1875 .. 1891	{ 32,903 .. 53,705	.. 63.22
Griqualand East, Tembuland, Transkei, and Walfisch Bay	..	..	{ 1879 .. 1891	{ 260,417 .. 476,985	.. 83.16

In the Orange River Colony, from 1880-90 the native population increased at the rate of 80.6 per cent. The following figures give the increase for Southern Rhodesia in the period 1898-1901 :—

Year.			Mashonaland. Population.			Matabeleland. Population.
1898-1899	..	..	269,521	..	..	144,257
1899-1900	..	..	301,828	..	..	148,073
1900-1901	..	..	327,900	..	..	159,312

In this latter case, however, the increase is largely due to immigration from north of the Zambesi.

From whatever point of view this rapid rate of increase be regarded, it cannot be disguised that, with due consideration of local conditions, it constitutes a grave economic danger, which

the Bantu character, unfavourable as it is to combination on a large scale among the various units, alone prevents from becoming political. As a result of this tendency to rapid increase, many districts, as, for instance, the Transkei, are in danger of being overcrowded.

The following figures, based partly on the census of 1891 and partly on magistrates' estimates for various years, though by no means accurate, owing to native distrust of the census, will serve to give approximately the numbers and distribution of the population of South Africa. It will be observed that the native population is in all cases largely in the majority.

#### NUMBERS AND DISTRIBUTION OF THE POPULATION.<sup>1</sup>

	White.	Malay. <sup>2</sup>	Hottentot.	Bantu.	Mixed.	Total.	Date.
Cape Colony ..	388,324	13,911	50,828	1,210,993	253,440	1,917,496	1891
Natal (proper)	54,622	59,858	—	545,014	—	659,494	1896
Zululand ..	1,305	—	—	203,705	—	205,010	"
<i>Total</i> ..	[55,927]	—	—	[748,719]	—	[964,504]	"
Basutoland ..	578	—	—	263,000	—	264,178	1896
Bechuanaland	(?)	—	—	122,000	—	122,000	1896
S. Rhodesia—							
Mashonaland	4,530	—	—	327,900	—	—	1901
Matabeleland	8,835	—	—	150,312	—	—	"
<i>Total</i> ..	[13,365]	—	—	[487,212]	—	[600,677]	"
Orange River Colony ..	77,716	—	—	128,787	—	207,503	1890
<i>(coloured)</i> *							
Transvaal ..	245,397	—	—	748,754	—	994,151	1896
<i>(coloured)</i> *							
Swaziland ..	1,000 (?)	—	—	40,000 (?)	—	41,000 (?)	"
<i>Total</i> ..	782,307	73,769	50,828	3,751,065	253,440	4,911,409	

Before attempting to analyse the attempts which have been made to deal with the problems involved in the government of the native population, it will be necessary to consider the salient features of the Bantu tribal organization. Not only has the administration endeavoured to preserve their customs and institutions as far as possible, but these have served as the foundation upon which the greater part of native legislation

<sup>1</sup> Not including North Rhodesia.

<sup>2</sup> Asiatics, chiefly natives of India.

<sup>3</sup> Including Hottentots, etc.

has been based. The Bantus possess a highly organized tribal system, at the head of which stands the chief. Every man of the tribe owes allegiance and personal service to the chief, who stands to his tribe in the relation of father and judge; he is the final arbiter in all disputes, and any change in tribal custom has to receive his sanction; he decides on all serious cases of crime, which have to be reported directly to him. A council of chieftains is associated with the chief, acting as his advisers, and exercising a restraining influence over him. This council has the power in certain cases of reversing the decisions of the chief. The principal councillor is the protector of the people against the exactions of the chief, and his kraal, or village, is regarded as a sanctuary against the chief's power. Within the tribe there is a complete system of responsible government, extending from the chieftains to the heads of families, each being responsible for those beneath him. Thus the heads of families are responsible for the behaviour of the individual members of the family. Any crime must be immediately reported by the head of the family to the head of the kraal, who, if incompetent to deal with the case, reports it to the member of the tribal hierarchy immediately above himself; then, if necessary, it is again referred until a judge competent to deal with the case is reached, the last appeal being to the chief in person. Inversely, there is a collective responsibility for crime, while failure to report entails a severe penalty.

The most characteristic feature of the tribal organization is the communal tenure of land; the land occupied by the tribe is held in trust by the chief for its members. Each member on attaining man's estate is allotted a plot of land by the chief at the time of marriage, upon which he builds his hut. At his death the land passes to his heirs, but not, however, in virtue of the value the land has acquired by the labour put into it, but in virtue of the fact that his heirs are members of the tribe. In the case of movable property inheritance is direct, and this rule does not apply. In default of direct heirs the land reverts to the chief. In addition to the land divided into allotments among the members of the tribe, a considerable amount of land is

usually held in common as pasturage. This system of communal tenure is the stronghold of the chiefs' power, and they have in consequence shown themselves bitterly opposed to any measures tending to promote conditions favourable to a system of individual tenure. As it is, the fact that on annexation the land passes from the possession of the chiefs to the government has done more than anything else to undermine their power.

Under the old tribal system land was cultivated for some three or four years, by which time it became exhausted, owing to wasteful methods of agriculture. It was then abandoned and the tribe moved to another station. This is now fast becoming impossible, owing to the growth of population and the delimitation of the boundaries within which the natives are confined.

The marriage customs of the natives are also of economic importance. The bridegroom pays to the father of his bride a certain number of cows, which are held in trust by the father. This payment serves at once as a ratification of the marriage contract, a compensation to the father for the loss of his daughter's services, and a provision for the bride should the marriage be at any time dissolved through no fault of her own. This custom of the *lobola* is enforced by law in Cape Colony and Natal; and in Rhodesia, where it had been allowed to lapse through poverty and abuse, attempts are now being made to revive it, as it has proved to be one of the strongest incentives to the native to work. Native marriages are a matter of economic rather than sentimental importance. The whole of the manual labour in the field was at one time done by the women, so that the more wives a man had, the more wealth he was able to amass by the fruits of their labour. It is quite possible that the introduction of the plough, which has largely emancipated the women from agricultural labour, will have more influence than anything else in putting a check upon polygamy.

Naturally there is some little variation in tribal custom among the various races of South Africa. The Zulus, for instance, have an organization which has been framed with a view to the exigencies of military service, while the institutions of the Bechuanas show a democratic tendency; but, speaking

generally, there is a great similarity in the tribal organization throughout. Such differences as do exist are due, not so much to racial variation, as to the amount of detribalization which has taken place. In some cases, the natives have become quite detribalized, and have adopted the civilization of the white race, while in other cases, the old tribal system is practically unchanged. All degrees of variation between the two extremes are to be found. The policy of the administration has been to interfere with the customs and institutions of the natives as little as possible, except when they are harmful or repugnant to civilized ideas, as in the case of witchcraft, and any changes that have been made have been brought about very gradually. But although tribal law is still administered in the majority of cases, influences are at work which are slowly but surely bringing about the disintegration of the tribes: the decline in the power of the chief, the introduction of the plough, compelling the men to turn their hands to work hitherto left to women, the growth of population, which is now beginning to be felt with the delimitation of the native reserves, are influences which are rapidly tending to make tribal life as it previously existed impossible under the most favourable conditions.

The breaking down of the tribal system leaves the native without moral support against the manifold dangers which contact with civilization brings in its train, and the problem which has to be solved is to substitute for tribal custom an influence sufficiently powerful to protect the native from these dangers, and at the same time train him to meet the altered conditions of the future. The course which has usually been followed on the annexation of a territory has been to set aside certain lands exclusively for the natives. Except in certain contingencies, such as the discovery of minerals or the necessity for the establishment of a township, no white settler is allowed on these lands. Within these reserves the tribal life goes on in much the same manner as before the annexation; tribal law is administered by the chief or the native commissioner, and the native system of responsible government is maintained. Within the tribe the power of the chief still remains considerable in many cases.

For administrative purposes the areas inhabited by the natives are divided into Protectorates, such as Rhodesia; Crown Colonies like Bechuanaland, which is practically a native reserve, no whites except officials, missionaries, and traders, being allowed to settle there; and Locations, or Reserves. These districts are under the control of resident magistrates. In Rhodesia the administrative machinery consists of a secretary for native affairs, two chief native commissioners for Mashonaland and Matabeleland, with native commissioners and assistant native commissioners under them. A similar system has now been established in the Transvaal. In the Transkei the control is vested in the chief magistrate of Pondoland and the chief magistrate of Griqualand East, with twenty-eight resident magistrates under them, while in Bechuanaland the administration is carried on by four resident magistrates. These magistrates are now gradually taking the place of the chiefs; in some cases the allotment of land is in the hands of the chief official, and in most cases, if the power of allotment is still in the hands of the chief, it is subject to his approval. Although some of the chiefs still administer native law, there is an appeal to the resident magistrate, and all serious cases have to be reported to him direct, as was previously the case when the chief was the supreme authority. In addition to the Government Reserves, a large number of natives, especially in Natal, are stationed on locations on private land, paying rent in addition to the hut tax. Such reserves are under the supervision of an inspector, part of whose duty it is to see that the rent paid by the natives is not excessive. The tribal system has also been further utilized in Rhodesia, and elsewhere, by subsidizing chiefs and selected indunas, who are responsible for the good order of their tribes and the collection of the hut tax, and are required to report all epidemic diseases and disturbances. They transmit the orders of the magistrates to the members of the tribe.

In certain cases the chiefs have been replaced by headmen, and in Pondoland, which was annexed in 1894, on the lapse of a chieftainship by death, the chief is replaced by the appointment of a headman.

The Glen Grey Act, passed in 1894, is a further step towards the breaking up of the tribal system, for which the way had been paved by the appointment of headmen in the place of the chiefs. By this act, which may be applied to any other district for which its provisions are held to be suitable, the districts of Glen Grey and Lady Frere are divided into locations under Location Boards, consisting of three land-holders appointed by the governor, with the approval of the inhabitants of the district; these Location Boards do the work of the headmen. Powers are granted for the administration of local affairs by a District Council consisting of twelve members, six of whom are appointed by the governor, and six by the members of the location. The resident magistrate, *ex officio*, acts as chairman. The District Council has power to raise a rate of twopence in the pound on immovable property, to be expended on public works and improvements.

The object of the Glen Grey Act is to assimilate the system of land tenure with the requirements of civilization. The communal system of tenure is obviously unprogressive; it checks individual effort, and consequently is inadequate to the needs of a rapidly growing population. Up to the present, however, the majority of the experiments in the direction of a system of individual tenure, the first of which was made as far back as 1834, have not proved a success. The temptation to realize immediately has proved too great in most cases, while a further complication arises from the native's proneness to solve any difficulty between himself and the administration by migration. In fact, the difficulty all through has been to prevent the native from parting with his land without, at the same time, checking the impulse towards improvement and individual effort imparted by the possession of land as his own property. The system of farm tenure and the Glen Grey Act are both important steps in this direction.

Under the system of land tenure known as the farm system, the locations or farms are restricted in size, and over each is a headman. The farms are arranged in blocks of twenty or thirty to the block, with a senior headman controlling the block.

These headmen have no farm themselves, but receive a salary, in return for which they are expected to see to the good order of their districts, and collect the hut tax. The sections of the Glen Grey Act dealing with land tenure are a further development of the same policy. The Act provides that after the land has been surveyed, and an allowance made for commonage and special allotments, it is to be divided up into lots of four morgen (about eight acres). These lots are granted to such persons as the governor may approve, the cost of the survey being defrayed by the allottees in instalments. These lots cannot be alienated nor mortgaged, and it is also impossible for them to be alienated by will. They are held at a small yearly rental, and any failure to pay after due notice entails forfeiture of the lot. It may also be confiscated for rebellion or neglect to cultivate, at the discretion of the resident magistrate. Under the provisions of the Act, tenure of land is a necessary qualification for membership of the Location Boards.

This system seems to have worked very well up to the present, and it is now being adopted by other Transkeian districts. The natives are found to take greater interest in their surroundings under its provisions, while they recognize the fact that the money paid by them in taxes is expended in their own interests. As a solution of the difficult question of land tenure, however, its application is only possible in cases where the native is sufficiently advanced to recognize the benefits to be derived from it, and to consent to its introduction.

The principal contribution to the cost of administration which the native is called upon to make is the hut tax. For each hut the native has to pay a tax ranging from 10s. in Cape Colony and Rhodesia to £1 in Basutoland. In Cape Colony a tax of 2s. per annum is imposed which is applied to the same purpose as the road rates. This is recoverable as hut tax. In all the colonies a small fee is charged for the passes, without which a native is not allowed to travel. Under the Glen Grey Act, natives residing in districts subject to the Act pay a tax of 10s., unless they have worked outside the district for three months in the previous year. Total exemption is granted to those who

show a record of three years' service, consecutive or otherwise. In the Transvaal a capitation fee of £2 was imposed on able-bodied men. A labour tax has now been imposed in place of the capitation fee. In both Natal and Cape Colony natives pay quit-rent; in Natal £1 per hut on Crown land; in the Colony, under the Glen Grey Act, 15s. for five morgen of land.

A fee of 10s. is paid for a native marriage, and £1 for a divorce. The natives also pay a considerable sum in indirect taxes, some of the commodities in which they are particularly interested paying as much as a 60 per cent. *ad valorem* duty. It will thus be seen that in proportion to his resources the native is somewhat heavily taxed.

The question of the taxation of the native population gains additional importance from the bearing it has on the question of the labour supply. The principal forces which tend to induce the native to leave his location and seek employment are the necessity for paying the hut tax, the *lobola*, or custom of the bride-price, and the desire to acquire wealth. The influence of this latter can only increase with the gradual progress of the people towards civilization and civilized wants, while, as has been mentioned, the *lobola* is now enforced by law in Natal, and attempts are being made to revive the custom in Rhodesia. An increase in the hut tax has been advocated in Rhodesia, and the proposal received the endorsement of Earl Grey. In Bechuanaland, in 1900, the tax was raised to £1. It is to be feared that such a remedy may prove worse than the disease, for even now the desire to escape payment is responsible for an amount of overcrowding in the huts, which is antagonistic to the requirements of health, decency, and morality alike.

The question of the labour supply is one of the most vital importance for the future of South Africa. The rapid increase in the industrial activity of the colonies in the last few years has brought about a corresponding increase in the demand for labour which the sources of the supply are at present unable to meet. A remedy has been sought in the importation of foreign labour; white labour has been hired in the mines, and the introduction of Chinese labour has been suggested as a last

resource. While the situation is such as to demand immediate attention, the interests involved are of such a conflicting character as to require the maturest deliberation in dealing with the problem. Not only must any proposed solution take into account the immediate needs of the present, but it must also have regard to the conditions which are likely to prevail in the future. Although it is undoubtedly true that the need for an improved supply of labour is pressing, and that the present scarcity acts as a severe check on the industrial development of the country, the readiness with which the natives have adapted themselves to changed circumstances, and the increase in their numbers, enter as most important factors into the problem, and play the predominant part in determining the lines along which any proposed solution must proceed. Should the present rate of increase be maintained, and the numbers of the native population become so great as to exceed the capacity of the lands to which they are at present confined, it will be necessary for them to seek their means of livelihood in other directions than those at present open to them, or for which they now show little or no inclination. It is thus as much in their own interests as in the interests of the industrial development of the country that some measures should be taken to increase their productive powers. And herein lies the fundamental objection to any measure which seeks a solution of the labour question by the introduction of foreign labour. Such a remedy would inevitably tend to debar the native from all participation in the active life of civilization, and, by acting as a check upon a most important factor in their education, would finally bring about a situation far more grave than that at present under consideration.

To understand the position fully, it must be remembered that, partly owing to the expense of white labour, and partly owing to racial prejudice, almost the whole of the manual labour in South Africa is done by the natives. But, although the duties which they are called upon to perform are not such as to demand a high degree of proficiency or a high grade of intelligence, the supply is inadequate both in quality and quantity. The disinclination for application and continued exertion, which is

characteristic of the native labourer, is frequently attributed to an ineradicable laziness; but, except, perhaps, in the case of the town "boy," upon whom contact with civilization has had a deleterious effect, the cause is rather to be found in the part played in the formation of their character by the traditional habits and customs of the tribal life, and in an imperfect comprehension of the conditions of life in a civilized community.

In dealing with this labour problem, it is hard to lay too much stress upon the fact that the bulk of the native labour is drawn from a population which has as yet made comparatively little advance towards civilization, and which, owing to the location system, is still protected, to a large extent, from the pressure of the economic forces of a civilized community. Under the tribal *régime*, the principal occupations of the Bantu races in South Africa were war and agriculture. The introduction of British rule has put a check upon the former, but the latter is still the only permanent occupation for which they show any decided preference. Under their own chiefs, there were few inducements for labour; the land allotted to them on their marriage was cultivated by their wives, by the fruit of whose labour they were supported and acquired wealth. When the bride-price was paid and their obligations to the chief had been discharged, their sole employment was the care of their cattle, an occupation from which the women were rigorously debarred. Their wants were few, and easily satisfied. Until the native comes into contact with civilization, he has never felt the necessity of labour as a means of self-support. This is still true of a large portion of the native population where the tribal life has been left undisturbed.

The introduction of civilized administration, however, is accompanied by the hut tax. This tax has proved a most important agency for increasing the labour supply. To meet the demands of the tax-collector, the native has been compelled to leave his reserve, and engage in some occupation. But as it is possible for the native to earn anything from 10s. a month for work in the fields to £4 a month for comparatively skilled labour in the mines, it is obvious that it requires but little

exertion on his part to raise the amount requisite for the payment of the tax; and indeed it is stated that this is earned in many cases by the children alone. So that in itself the hut tax cannot be regarded as any very great incentive; its importance lies rather in the fact that it brings home to the native the possibility of acquiring wealth, thus inducing him to do of his own free will what, otherwise, he does practically only under compulsion.

Taxation aiming directly at the increase of the labour supply, as has already been mentioned, is imposed under the Glen Grey Act, and this measure has been extended to the Transvaal. An increase in the hut tax has been advocated in Rhodesia and elsewhere, as it has already been increased in Bechuanaland. But the Labour Clause of the Glen Grey Act is said to be almost inoperative, and any increase in taxation, lowering the earning capacities of the labourers, is hardly to be recommended. Even as it is, the wages are not considered sufficiently attractive, and the Labour Association has recently recommended that the average wage on the mines should be raised to 50s. This suggestion has now been adopted by the Board of Mines.

In addition to the difficulties which are due to the native character, a further complication arises from the difficulty of controlling the supply of labour. Agriculturists by inclination and by tradition, the natives only seek other employment with some definite purpose in view, usually to raise money for the hut tax or to buy cattle. When sufficient has been earned for the attainment of their end, they return to their homes, and it is only under the most favourable circumstances that any native will enter into a contract for a period exceeding three or four months at a time. Further, being occupied with the cultivation of their own lands during the greater part of the year, they are only free, or at least only show an inclination to engage themselves, at certain seasons of the year, with the result that at these seasons the supply is frequently greater than the demand, while at other times labour is extremely difficult to obtain.

The disinclination of the natives to leave their houses except at certain seasons of the year is by no means entirely due to

laziness, as is sometimes maintained. Although the work in the fields might be, and in many cases is, done by the women, there are two things which have to be taken into consideration; the care of the cattle cannot by custom be left to the women, and the introduction of the plough, involving the use of oxen in the cultivation of the land, has made the presence of the men a still greater necessity. Although this repugnance to allowing the women to have any part or share in the care of the cattle may seem a prejudice (which, as such, might be disregarded, should any more drastic measures be taken at any time in dealing with the labour problem), it must be remembered that it is far more than a mere prejudice, and that its influence has been sufficiently strong to induce the natives to undertake work in the field, which had hitherto been considered beneath the dignity of men. In Rhodesia an attempt has been made to cope with this difficulty by a system of relays, and the inhabitants of each kraal are sent out in batches to work in the mines each in their turn.

A further excuse for their disinclination to enter into an engagement extending over any length of time is that, except in the case of those natives who are stationed on private locations and work on the farms on which they live, employment, whatever its character, takes them away from their home life. No attempt has as yet been made to cope with this difficulty, although it has been proposed to form locations near the industrial centres, to which the native labourers might return at short intervals.

We are here brought to a consideration of one of the most serious problems with which the better organization of labour employment in South Africa has to deal. The immense distances which separate the principal centres of industry from the sources from which the bulk of the native labour is drawn not only add to the cost of labour (it is estimated that the cost of importing labour from the Portuguese territory to the Transvaal is, or rather was, about £3 per man), but also act as a check on the influences which, under other circumstances, would induce the native to seek employment. The influence of example is lost to a large extent, and many natives who are willing to work are

deterred from setting out for the industrial centres by the uncertainty of obtaining employment, and by the difficulties and dangers to which they are exposed on the journey.

The inadequacy of the supply of labourers seeking work on their own account has given rise to a class of men known as labour agents, or "touts." These men enter into contracts with employers to supply labour. They travel about among the natives on their reserves, and the labourers they engage are brought in gangs to the labour centres, where they are distributed among the various employers. This system has certain advantages. It brings the natives living in the more remote districts into contact with the industrial development of the country, and protects them from the dangers to which they are exposed while travelling alone. But the system is obviously liable to grave abuses. It leads to misrepresentations of contract and oppression; the character of the labour agents is not always above suspicion, and, although they are required to hold a licence, strict supervision is necessary in the interests of the natives.

Another method of engagement frequently employed is that of entering into a contract with a chief. This method leaves certain very obvious loopholes for extortion and oppression, but its employment is a necessity in those districts where the powers of the chief are still considerable.

Although the number of natives who enter into contracts on their own initiative without the intervention of the middleman is increasing yearly, for some time to come engagement of labour through a chief or labour agent must be the two methods principally employed. That they will ultimately give way to the direct contract between the employer and employed is at present a matter of hope rather than of certainty. The advantages, educational and otherwise, which would follow from such a change are many. It would arouse an increased interest among the natives in their employment and surroundings, and would undoubtedly tend to lessen the number of desertions which are so frequent under the present system, and which, in the majority of cases, arise from discontent with the terms of a contract seldom understood and frequently misrepresented. But before the

method of individual contract can be more generally employed, greater diffusion of knowledge among the natives of the possibilities of employment, greater decentralization, and improvement in the means of communication, are necessary.

The method of recruiting labour followed in Rhodesia is of interest as affording an example of an attempt to make use of the administrative machinery to overcome the difficulties of the labour supply. In Matabeleland there existed up till the year 1900 at Buluwayo a Labour Bureau, which sent out agents for the purpose of recruiting labourers. These labour agents were introduced to the chiefs by the native commissioners. The commissioners were instructed to afford them all the assistance in their power, and also to endeavour to induce the natives to engage themselves for labour in the mines. In Mashonaland the recruiting was entirely in the hands of the commissioners. The officials were expected to use their influence in persuading the natives to work, and it was part of the regular duties of the subsidized indunas to raise the supply required, according to instructions transmitted to them by the commissioners.

The disadvantages of a dual system for the two provinces, and the rivalry and consequent expense to which it led, as well as the criticism evoked by the employment of Government officials on such duty, led to the establishment of a Labour Board for Southern Rhodesia in 1900. This Board made an attempt to organize the recruiting of labour by entering into an agreement with the Transvaal Chamber of Mines. The agents of the Labour Board were competing with the agents of the Witwatersrand Labour Association in Portuguese territory, and the same state of rivalry existed in Northern Rhodesia. The two bodies therefore entered into a contract, by the terms of which a certain proportion of recruits from the Portuguese territory were handed to the Labour Board, on the condition that their agents did not recruit in the Transvaal or Portuguese East Africa. A uniform rate of pay was also agreed on. The expenses of the Labour Board were found to be too great in proportion to the results obtained, and the Board was first reconstituted, and then finally dissolved in October, 1901, and

the former method of recruiting labour by the help of the commissioners was revived.

The return to the old system is one of considerable interest, as it raises the difficult question as to the attitude which should be taken up by the Administration with regard to the Labour Question. This is a practical question of vital importance. There is a widespread feeling in South Africa in favour of more drastic measures, while some even go so far as to maintain that compulsory labour is necessary, and demand that a more active part should be taken by the Government in increasing the labour supply.

The case of Rhodesia affords an example on a small scale of some of the results which would follow if Government officials were to take a more active part in the matter. Mr. Chamberlain, in commenting on the system followed in Rhodesia, pointed out that, as a result of the part taken by officials in recruiting labour, the natives would regard those to whom in the natural course of events they would look as their natural protectors as the causes of any hardships or discomforts to which they might be exposed. Further, the commissioners, as they gradually come to be regarded by the natives as having taken the place of the chiefs, acquire considerable powers, and whatever may be their intentions, it is extremely difficult for them to avoid overstepping the narrow limit separating persuasion from compulsion, when dealing with natives of the class with which they come into contact. This danger is increased by the custom of transmitting orders to the natives through the subsidized indunas. Indeed, Sir M. Clarke, in a letter dated April, 1900, went so far as to stigmatize the system as one of compulsory labour.

There are certainly many arguments which might be urged on the side of compulsory labour. The pressure of population, tending to overcrowding and other evils, which is already beginning to be felt in some districts, entails the necessity for the native population to seek support from other sources than their own lands; and, again, their reluctance to work, or lack of comprehension of its necessity, affords arguments of some weight on the side of more drastic measures. It is further

argued that the Administration, having taken the place of the chief, should enforce the rights which they have thus acquired. A system of compulsory labour, however, would in all probability fail in its object. The power which is exercised by the Governor of Natal of calling out the natives for public works has aroused much discontent. Further, a closer consideration would go to show that the situation is by no means so grave, nor so hopeless, as to warrant a step so far-reaching in its effect, and one which would be so disastrous in case of failure.

The native races present a great diversity of character, both in capacity and in inclination for different occupations. And accordingly the acuteness with which the scarcity of labour is felt, varies with the nature of the employment and with the character of the people from whom the labour supply is drawn. The mining industry has probably suffered more than any other from scarcity of labour. The natives are averse to underground work, but the present scarcity is due, not so much to their disinclination for this class of work, as to the rapid increase in the demand for labour. Although an agricultural people, the higher wages and better treatment they receive in the mines are sufficient in most cases to overcome their dislike, and, with care, they can be trained to become efficient workmen. The Shangaans, for instance, are the most skilful workmen both on the Rand and in Rhodesia. Basutoland, in 1898, sent out 37,371 native labourers to the Orange Free State, as it was then, and to the Transvaal (a great number of these, though not all, were miners); while a fair proportion of the labour in the Transvaal is drawn from Portuguese East Africa. Even the warlike Matabele, who at one time were considered useless as labourers, have shown themselves capable of being trained as very efficient surface workers.

The diversity in character of the various races is illustrated by the case of some natives of the Transkei, who were imported into Rhodesia to the number of three hundred as mine hands; they were found to be useless for this purpose, and in a short time almost the entire number had deserted. Fingoes, imported into Rhodesia at the same time as the Shangaans, and for the

same purpose, have taken readily to agriculture, but were worthless as mine hands. The Mashona, unlike their neighbours the Matabele a peaceful race, take readily to agriculture, and produce large quantities of the grain consumed at the mines, but when employed at the mines they will neither work nor be taught. Instances could be multiplied to show that the solution of the labour problem depends to a large extent on the character and preferences of the people from whom the supply is drawn, and not merely upon the attractions afforded by a high rate of wages.

Besides those centres already mentioned, well known as sources of the supply, new and important centres are being opened up in Rhodesia, from which a large and increasing proportion of labour will be drawn as European influence gradually extends. Not only is immigration from the country north of the Zambesi still going on, but an increasing number of natives come south every year and engage themselves for a time, and then return.

Of the employments open to the native, the mining industry is naturally the most important. Indeed, this industry has to a large extent been responsible for the Labour Problem. In the few years preceding 1897, the demand for labour on the Rand rose from 30,000 to 80,000, and at that time it was estimated that the demand would speedily rise to 100,000. A sudden increase of this magnitude in the demand, made on a people imperfectly educated in every sense, without desire, or in many cases the need, to work, could not but result in a labour problem of a formidable character. Add to this the fact that this sudden demand, accompanied by a higher rate of wages, is acting upon a people who, when accustomed to the idea of working for gain, are well able to take care of their own interests, and the natural result has been a drain upon the labour market, producing a scarcity of labour in almost every class of industrial occupation. With the exception of certain classes of occupation requiring careful training and a high grade of skill, and therefore open to few, the average rate of wages paid in the mines—£2 per month—is double that of any other occupation, and a further increase to 50s. has now been sanctioned.

Agricultural labour is badly paid, the average wage being about 10s. per month, sometimes paid in kind, in the shape of cattle or land, and sometimes, a frequent occurrence among Boer farmers, not paid at all. Ill-treatment of farm hands is not uncommon, so that it is perhaps not a matter for wonder that the natives show great reluctance to work on the farms. In Natal, where coolie labour is employed, there are about 25,000 coolie labourers to 5000 natives. It must, however, be mentioned that individual farmers, whose character is well known, have no difficulty in obtaining as much labour as they require.

Another field of employment, in which a large number are engaged, is that of domestic service. For this kind of labour the natives show a decided preference, partly due to the nature of the employment, and partly due to the attractions of town life. The natives engaged in domestic service frequently re-engage themselves at the expiration of their term of service, and the period of engagement, in other cases ranging from one to four months, is here frequently as long as twelve months. The wages paid vary considerably, the average being about £1 per month for a man, and 14s. for a woman. Those employed in some special capacity, as *e.g.* cooks, drivers, etc., receive as much as from £5 to £9 per month.

It must not be thought that the natives are only fit for employment in occupations which require no special skill. If opportunity is afforded them, they are capable of acquiring high technical skill; many earn good wages as skilled carpenters and smiths. The Lovedale Institution, which pays particular attention to the higher development of the native character, has trained a considerable number of missionaries, clerks, and others, capable of fulfilling higher duties than those which the native is usually called upon to perform. The Transvaal Industrial Commission, in its report in 1897, laid considerable stress on this capacity of the native for acquiring a high degree of technical skill with careful training.

The treatment of the labourers, when once they have entered upon some form of employment, is of almost as great importance as the rate of wages in affecting the supply of labour. In this

connexion the Compound system, which is employed at Kimberley, is of particular interest as affording an example of how it affects the question. At Kimberley the native labourers, during the period of their employment, live in a compound, to which they are rigidly confined. Their food is supplied by the mining authorities at a fair price, but no intoxicating liquor is sold. This system of treating the natives, which originally arose from a necessity imposed by the nature of the employment, has proved to be one of the most successful methods in dealing with the Labour Problem. Regulations which would appear irksome to most people, are appreciated by the native. The protection afforded against the dangers and temptations of town life, and against the dangerous characters which congregate near the mines, and, most important of all, the prohibition of intoxicating liquors, enable the native to return to his home at the end of his engagement with the whole amount which he has earned during that period—a benefit which he appreciates keenly; and at the same time the labourer is preserved from the moral deterioration which in other cases has proved destructive to the quality of his work. The result has been that the labour supply at Kimberley has been at least adequate, and natives have frequently returned time after time to enter upon a fresh term of engagement. Under the Compound system the labourers have, as a rule, been treated well; the prohibition of the sale of intoxicating liquors has preserved the health and moral character of the native, as well as guarded against deterioration in the quality of his work. In the Transvaal it has been estimated that 10 to 20 per cent. of the native labourers were continually incapacitated owing to the effects of intoxicating liquor, while many succumbed to disease contracted through exposure while in a state of intoxication.

Although the extension of the Compound system would perhaps be no advantage, it certainly serves to indicate certain points of vital importance to the well-being of the labourer, as well as to the maintenance of the quality of the labour supply—viz. protection from the corruptions of town life, of which the average town “boy” is a result, and the efficient prohibition of

the sale of intoxicating liquor. It also serves to emphasize the need of care and attention to the comfort and health of the natives. The native of South Africa, it must be remembered, is still at that stage of thought which finds it impossible to grasp the idea of death from natural causes ; death from disease is attributed to witchcraft. As a result, it is an impossibility to obtain labourers for any mine in which there is anything approaching a high rate of mortality.

Another matter of importance is that attention should be paid to their likes and dislikes, which are usually based on custom. Of this, one instance must suffice. Attention has been drawn to the fact that in Rhodesia the natives, when sick, deserted, and many have died on the road to their own homes. The reason was that, when in hospital, they did not receive the treatment to which they had been accustomed when ill, while their dislike to hospital was increased by the fact that they were put under the care of Xosas instead of their own people.

In dealing with the labour question as with the administrative problem, it has to be remembered that the natives are in a state of transition, and difficulties which may for the moment seem almost insuperable will gradually disappear as the natives approach a higher level of civilization. When the native can be induced to work, he is no unwilling worker ; and with a rising standard of living, new wants, and a growing desire to amass wealth, the supply of labour will also increase. This is necessarily a work of time, and in the case of the labour problem, as well as in the case of the administrative problem, the native has to be educated. Education, in fact, is the one great need of the native population in South Africa ; not merely education in the narrower sense, nor technical education alone, but education in the broadest sense ; an education adapted to their needs, and based upon the sympathy which springs from intimate study of their character and modes of thought. The attainment of this end would not be forwarded, but could only be defeated by a system which sought to alleviate the stress of the moment by compulsory measures, however desirable or necessary they might seem. The introduction of

foreign labour is equally to be deprecated on the same ground. It is always a dangerous experiment, and would be particularly disastrous in South Africa. The labourers already introduced into South Africa from North-East Africa and elsewhere have not proved better workers in the mines than the natives, while the experiment of white labour has been tried, and, it would perhaps not be premature to say, has failed.<sup>1</sup>

On the one hand, then, in the matter of government, while the native is afforded protection against the danger of too rapid development, he is being trained gradually to become a member of civilized society. So, on the other hand, with regard to the labour question, this end has to be kept in view. The same difficulties, due to the same causes, attend the solution of the problems involved in such questions as the franchise, the abolition of the pass laws, the regulation of the drink traffic, and the like, arising, partly from the native character and modes of thought, and partly from the fact that all grades of culture, from the primitive to the civilized, are to be found among the natives, making broad and comprehensive legislation almost an impossibility. But as the influence of civilization extends, provided that the native is protected against ill-treatment, injustice, and corruption, there is good reason to hope that the solution of the problem may safely be left to education and the operation of normal economic forces.

E. FALLAIZE.

<sup>1</sup> Since this paper was written, the policy of employing white labour has been abandoned by the Chamber of Mines.

## NOTES AND MEMORANDA.

**AN OBJECT LESSON IN THE HOUSING OF THE WORKING CLASSES.**  
—The "Housing Question" has passed beyond the stage of being merely a criticism upon the existing state of things. Many municipalities are now fully alive to their responsibility in regard to the housing of the poor; and, even from the severely practical point of view of self-protection, the necessity of providing sanitary houses for the working classes is recognized by the better-educated citizens as an imperative measure. Thus the only debatable question is as to method. Some municipalities, dissatisfied with private enterprise, have taken the matter into their own hands. But the tremendous cost of clearing land near the centre of the city raises doubts as to the wisdom of rehousing the people on the same site, and it is evident that not even municipalities can hope to keep up the economic fight between dwelling-houses and business premises on these central sites.

The results of these municipal efforts are turning attention to another method, the rehousing of the people in the suburbs of large cities by acquiring land at agricultural rates and building thereon. The success of municipal tramways undertakings is also an argument in favour of this idea, as the cheap communication essential to such a scheme can be provided by this means. Again, it has been estimated that the sacrifice of 10 per cent. of a man's working day spent in travelling to and from a great city means in the long run an increase of 25 per cent. of his working years, not to mention his increased efficiency as a worker at the same time. It is commonplace to say that health and physique are largely a question of air and light. Recognizing this, reformers are taking up, from a new point of view, the cry of "Back to the land." Thus it may be of advantage to look at a few facts as to the economic effects of one private effort to rehouse the workers in a "Garden City."

Bournville is a village of 480 houses, with a population of about 2250 persons. Of these houses 394 are built on the land which has been handed over to a trust. The village is situated within five miles of the centre of Birmingham, and the city is easily accessible by rail, by electric tram-cars (workman's return fare 2d.), or by bicycle. The cottages are semi-detached or in blocks of four, and the great variety

of design gives a picturesque effect. The rents range from 6*s.* 6*d.*, rates included, to 9*s.*, rates not included. Every house pays a commercial profit on the cost of land and buildings. The village is served by Birmingham with gas, water, and sewers. The rates, including water, amount to 5*s.* 3*d.* in the £ rental.

In connexion with this rent, which seems prohibitive to the labouring class, it must be noted that the returns from the gardens lessen the actual outlay considerably. The following figures, taken from six average gardens, and showing the results of a twelve months' test, speak for themselves. The experiment was started on March 29, 1901, and finished on March 29, 1902. One of these tenants with 410 square yards under cultivation, kept fowls, and his income of £10 1*s.* 0½*d.* was made up of £4 5*s.* 4½*d.* from the garden, and £5 15*s.* 8*d.* from fowls. His expenditure amounted to £4 0*s.* 1*d.*—11*s.* 1½*d.* on the garden, and £3 8*s.* 11½*d.* for the fowls,—so that his net gains were £3 14*s.* 3*d.* on the garden, and £2 6*s.* 8½*d.* on the fowls. His average weekly gain was therefore at the rate of 1*s.* 5*d.* on the garden, and 10½*d.* on the fowls. The average weekly net gain for the six gardens (including fowls in one garden) was 1*s.* 11*d.*, being at the rate of £59 8*s.* 8*d.* per acre per annum, not making any charge for labour. Against this garden income, from our point of view, we must reckon one shilling for tram-fares to and from Birmingham. The net result is that the rent of the house is brought down to 5*s.* 6*d.* per week, which would secure but poor accommodation in the neighbouring city of Birmingham. The rents paid in Birmingham by the working classes range from 3*s.* 6*d.* to 7*s.* per week. The houses at 3*s.* 6*d.* to 4*s.* are in back courts, while 4*s.* 6*d.* secures one facing the street. In many cases these houses are in poor repair, and insufficient sanitary accommodation is provided. For rents of 3*s.* 6*d.* to 4*s.* 6*d.* houses containing two small rooms and an attic are provided, while 7*s.* secures four rooms and two attics. One woman showed the writer the miserable fittings of her house, and bitterly exclaimed, "Yes, 4*s.* 6*d.* a week and no oven, no lock on the door, no pantry, and the fireplace tumbling down!" In Bournville the smallest house has five rooms, scullery, lobby, larder, and the usual outhouses, and six hundred yards of garden. Moreover, a worker can afford to pay, and is now often willing to pay, more for a good house than a bad one. A good house enables him to earn more, for a good house means health, refinement, quietness at night, and a good start for his children in the competition of life.

Another interesting fact is the proportion of the tenants who work in Birmingham to those who work in the district. It is commonly argued that even if accommodation were provided for working men,

they have neither inclination nor initiative enough to take the daily journey which residence in the country requires. On this point, therefore, the following analysis of the districts in which the tenants work is instructive :—

	Bournville.		King's Norton.		Selly Oak.		Birmingham.	
Total.	No.	Per cent.	No.	Per cent.	No.	Per cent.	No.	Per cent.
383	158	41·2	17	4·5	54	14·1	154	40·2

Thus we find that 41·2 per cent. of all the tenants work in Bournville, and more than half outside, 40·2 per cent. of the whole number working in Birmingham, five miles away.

Again, out of a total of 154 heads of households working in Birmingham, we get the following particulars :—

	Clerks and Travellers.		Factory Hands.		Mechanics.		Bricklayers and Carpenters.		Others.	
Total.	No.	Per cent.	No.	Per cent.	No.	Per cent.	No.	Per cent.	No.	Per cent.
154	42	27·2	25	16·3	11	7·1	9	5·9	67	43·5

The proportion of factory hands is notable. These figures, and the fact that the trustees receive on an average thirty-six applications per week for houses, show that working men are undoubtedly becoming more and more awake to the advantage to health and morals of life in the "Garden City."

One or two other facts will be appreciated, especially by those who are looking at this question from the point of view of public health.

Overcrowding is now said to exist under two heads : (1) When the density of the population is more than twenty-five persons to the acre. (2) When the average number of persons per room is more than two. In Bournville the population per acre is exactly twenty-five, but the area reckoned in this estimate is only seventy-seven acres, the larger part of the estate not yet being opened out. The part already built on is made up as follows :—

Buildings and gardens .. ..	54 acres.
Open spaces .. ..	11 "
Roads .. ..	12 "

Overcrowding per room exists in only two houses in Bournville.

And this accounts for the fact that the death-rate is only 9 per thousand.

Finally, the amount of produce obtained from the gardens is an argument in favour of the value of intensive spade culture. There are 43½ acres under cultivation, and at the ascertained average yield per acre of £59 8s. 8d. per annum : this gives a total of £2585 7s. Od. per annum. Under ordinary methods of farming the yield was previously less than £5 per acre per annum—that is, the total yield of the seventy-seven acres which are at present opened out used to be about £385 per annum. Thus, at the present time, these seventy-seven acres produce more than six times the value of their former produce, and, in addition, at the same time, house under ideal conditions a population of nearly two thousand people.

It cannot be claimed that this scheme has solved the housing problem, which cannot be solved on any one line. But Bournville affords one or two facts which show that it is a successful experiment. By drawing working men out of the city it lessens the pressure on the housing facilities provided ; and this means a tendency to lower rents, and therefore a rise upwards of at least one stage for the various classes of working men. For example, the opening out of Bournville caused rents to drop from 10 to 20 per cent. in the neighbouring village of Selly Oak. Thus indirectly the scheme touches the lowest class. And when the surplus tenants are cleared out, the sanitary authorities have no excuse if the houses still remain insanitary and dirty.

There are two main classes involved in the housing problem : for in the insanitary districts are found the homes of the well-paid but improvident, and of those who are occasional or habitual criminals ; but there are decent poor in these same places. Thus schemes like Mr. Cadbury's indirectly help with the problem of dealing with the semi-criminal and pauper classes ; for if we can only segregate the deserving from the undeserving, the problem of dealing with the latter may be simplified ; and the facts show that a good proportion of even the labouring classes are ready to take advantage of such schemes. Therefore the founder of Bournville has not only conferred a direct benefit on those actually housed on the estate by increasing their health, moral vigour, and industrial efficiency, but has given an object-lesson in what can be done in this direction without cost to the rates. In terms of pounds, shillings and pence, the experiment is a success.

GEORGE SHANN.

**THE LABOUR MOVEMENT AND SOCIAL DEMOCRACY IN DENMARK.**  
—In Denmark, as in other countries, the Liberal movement failed

because the Liberals did not understand the social needs of the time. This defect is exemplified in the views of the Liberal leader, Bishop Monrad, who for some years after 1860 was a member of Parliament and Prime Minister.

In the year 1871 he wrote, and published in an official newspaper, the following words :—

“ We dare not maintain that we thoroughly understand the varied conditions of labour in this country, but, so far as we can judge, the workers are living on the margin of starvation. An accident would reduce them to penury or the workhouse. It is suggested that this evil should be remedied by an increased supply of work ; but since this does not happen, and the number of workers always increases in proportion to any possible improvement in their social condition—what ensues ? Taxes are raised, poverty increases, and the population again declines. Many die, not of direct starvation, but gradually from want of sufficient food. Then, if no war breaks out to reduce further the population, misery supervenes, and finally culminates in pestilence, so that the balance is restored.”

Thus the final verdict of Christian society was to be that trinity of evils—war, misery, pestilence. But since this poverty had been created by the industrial revolution, such a verdict, though uttered by some of the wisest and best men of the age, was necessarily calculated to provoke a protest ; and to make this protest became the mission of Socialism.

The socialist movement first came from the Commune in Paris, and reached Denmark in the May of 1871. A post-office official, named Louis Pio, wrote a pamphlet entitled *Essays on Socialism* ; and the influence of these essays upon the labouring population was thus described by the *Social Demokrat* of April 2, 1892 :—

“ The first impression received by the labourer from the preaching of socialism was that his salvation had come at last, and that social deliverance was at hand. There arose a restless hope for a miracle by which at one blow Capitalism should at once be replaced by Socialism. People waited on from week to week expecting the Commune of Paris to spread its influence into Spain, and from thence into the rest of Europe, until the whole capitalist system should be destroyed. The workers had both the right and the power ; why should they then linger in want, outside the promised land, instead of taking it at once by assault ? ”

It was not only among the workers that such expectations were excited. The feeling was shared by many young students, who now came forward. Holger Drachmann, among others, mentions this in the jubilee edition of his poems, published in 1896.

"Oh! that I was young, as in the days when these poems were written! And that the age was still as it was when I wrote them! Because, at that time our youthful hearts beat strong in the hope that we were on the eve of a great day when the whole world should be transformed, and delivered."

Fired with these ideas, many societies were formed in the summer of 1871, which together formed part of the International; the members being divided into two sections, the one composed of skilled and unskilled labourers, the other of more educated men.

On the 21st of July, 1871, the first number of a weekly paper was published; while, on the 15th of October, the various sections of the International held constitutional meetings. At this stage of the movement the labourers were inspired by the feelings of a revolutionary army. Kingdoms and Churches were to fall before the new republic of labour and independent thought.

Here is a prose translation of some verse written at that time, which illustrates the progress of socialism:—

"Rich men are fed by the labourers' toil.  
And priests preach to us  
Of hell-fire at the end of life  
If we do not give them money.'  
We spend our labour (whether we live or die)  
In building a golden tomb for our tyrants.  
\* \* \* \* \*  
The system of society is rotten,  
It cannot stand much longer; so let it fall.  
My brother, put your worn hand in mine,  
And before we perish with hunger,  
Let us spend our labour (whether we live or die)  
In erecting a shelter for our own sore need."

This song was at this time used as a march by the labourers. Meanwhile, on the 2nd of April, 1872, the weekly *Socialist* became a daily newspaper, thus showing that the new ideas had become a power in the land.

In the month of April, a strike began among the bricklayers. These men demanded that their working hours should be reduced from twelve to eleven hours daily. On that occasion, a large meeting was called together for the 5th of May. The intention was to send a deputation to the Government, demanding the following reforms:—

1. The appointment of a minister for labour.
2. The assertion of the right of workmen to combine among themselves.
3. The promise of neutrality on the part of the Government as regards any disputes that should arise between employers and labourers.

In order to make this plan known, Mr. Pio wrote an article on the subject in the *Socialist*, which closed with the following words :—

“ We address the worshippers of the golden calf ; those who oppress the poor ; and to them we make one last appeal, saying—‘ For thousands of years you have been filling up our bitter cup of sorrow ; but now, look to yourselves, for our cup is full ; we can bear no more, or it will overflow ! ’ ”

This article was considered by the authorities as an incitement to revolution. On the 4th of May, the proposed meeting was prohibited ; and on the following night, Pio, Brix, and Geleff were arrested, while the place for meeting was occupied by police and troops. Any one who tried to enter was forcibly driven out. In the barracks, the soldiers were held ready under arms. On the 29th of March, 1873, the Criminal Court condemned Pio to be imprisoned for six years ; Geleff, for five ; and Brix, for four. On the 6th of August the Supreme Court altered these sentences to five years for Pio, and three years for Geleff and Brix. On the 14th of August, the International was prohibited by the Government, and this decision was confirmed by the higher Court in the following February. The movement now continued to live on in trade unions and workmen's societies. It was in the June of 1876, that the first Congress of Social Democracy was held at Copenhagen.

In the March of 1877, Pio and Geleff were released, and being secretly bribed by the police to leave the country, they went to America.

This event was a great blow to the young movement. And, soon after this, it met with other reverses, for the co-operative societies proved unsound, and the trade unions did not flourish. In 1878, the political work of the movement was separated from the economic ; the former being now undertaken by the new Social Democratic League, founded on February 12th. For some years after this, the trade unions made little progress ; but, as industry afterwards developed, they became of greater importance. For, while the extreme political parties were fighting over constitutional questions, the trade unions advanced steadily. The first Labour Congress for the Scandinavian countries was held in Göteborg, in 1886 ; the second was in Copenhagen (1888) ; the third in Christiania (1890) ; and the fourth in Malmo (1892). After this, the trade unions began to form trade councils in all the large cities, that for Copenhagen being started in 1893.

The rate of wages soon rose, while the working hours were shortened. In a special number of the *Social Demokrat* (1886), it was announced that the organized workers now possessed about twenty millions more

kroner (18 kroner = £1) than they could have had under the conditions prevailing in 1871. At the same time, the average working hours had been reduced from 12 to 10½ hours daily. These facts taught the labourers how important it was to combine, and new trade unions were being constantly formed up to the present time. In January, 1898, all the trade unions in the country were united into one gigantic federation. This is the culmination of that development of labour which began in 1871. About eighty thousand industrial workers now belong to this great federal union; and all resistance seems to be virtually overcome. All parties now recognize these unions as a factor in industry. Trade unions are indeed a necessary outcome of capitalistic society. But if they desire to be fully acknowledged by others, they must in their turn accept the other factors in society; and in this respect the working classes of Denmark have often shown a want of understanding. The leaders of the Social Democratic party maintain that it is to the labourers themselves to whom all the improvement in the conditions of labour is due; and that now they look to the capitalist classes for further signs of advance. In illustration of this, one has only to read the following passage from the special number of the *Social Demokrat* of 1896;—"Social Democracy has created a working class attaining to a much higher degree of intelligence, knowledge, and administrative ability than the labourers of twenty-five years ago. Therefore, when the labouring population shall have made equal progress in wealth as they have already made in intelligence—the rest is only a matter of time. . . . This result has been entirely the work of the trade unions."

The Danish Social Democracy, however, as has been said, failed to grasp the functions exercised by capital in the past. The scientific exponents of socialism—above all, Karl Marx himself—have always recognized the part taken by capitalism in the progress of civilization. Yet, in spite of this, the socialist agitators constantly maintain that capitalism is merely an evil, and that every capitalist is an oppressor. The common interests of employer and employed are never thought of. Therefore, for a long time the opposition between masters and men became greater and greater. Soon after 1890, the masters on their side began to form organizations. Those of Copenhagen formed an Employers' Union in 1896; while in 1898, all the employers' unions in the country were federated into one general league, called the Union of Danish Employers.

From that time, the two large armies have confronted each other. From the historical point of view it is inevitable that these two forces should work together and supplement each other as co-ordinate factors in the social order. But both sides were too much inclined to injustice

or distrust, and each had too high an opinion of its own strength in proportion to that of the other. Under these conditions, it was no wonder that an insignificant collision between some masters and men in Jutland should end in becoming a pitched battle between all the masters and men in the country. It was in this way that the famous lockout of 1899 took place. This lockout was a great blot on the history of the social movement in Denmark. The existing relations between masters and men were roughly broken through. The men felt that the exclusion from work of forty thousand labourers at once was the greatest injustice that they had ever experienced at the hands of the capitalists. And in the course of the struggle they learned that they themselves were stronger than they had thought. None of these circumstances tended to spread good feeling between the two parties. It must, indeed, be owned that the labourers took a one-sided view of the situation; and if it had not been for sympathy and active help that they obtained from all classes of people—even from the highest—the results of the struggle would have been even worse than they were.

The best outcome of this great battle, however, was that later on the Government, through Parliament, started a Court of Arbitration. Masters and men each elect three members to sit in this Court, and in this way the trade unions have obtained full recognition from Government. There has also been another good result of the struggle. And this is that the masters' federation has proved itself as strong as that of the labourers. This has awakened the labourers from their dream of a coming Utopia for themselves alone. Unfortunately, there are some drawbacks to this discovery. For in their fear of fresh attacks from their employers, the workmen maintain a strict discipline which is a danger to all individual liberty; and this danger is increased by the fact that the whole of the Social Democratic press is under the same influence. Thus, any statement of opinion which may be excluded from one of the Social Democratic newspapers has no chance of appearing in any other organ of that party.

Meanwhile, the following facts throw some light upon the political standing of Social Democracy in Denmark. The House of Commons contains 114 members, and of these 14 are Socialists. It is possible that at the next election, by means of alliance with the extreme Liberals, the Socialists may gain four or six additional seats. But I believe they will not be able to obtain more; for there is every sign that the party has already attained its utmost limit of power.

As regards co-operative undertakings, the Danish workers have achieved very little. A few bakeries have been formed into joint

stock companies, but there are no co-operative societies like those in England. This is due to the general opinion that political action is of the first importance to the workers. And, in order to make progress in this direction, it is necessary to gain over the small tradesmen. Therefore the workers dare not risk the loss of votes in the municipal and parliamentary elections by founding co-operative societies to compete with these smaller tradesmen. Until quite lately, the Socialist leaders have always denied that co-operation may be a means for the emancipation of the labourer; instead of which they try to persuade him that the time is coming near when the workmen will possess all the political influence in the country. There is some sign of change now in this respect; for, at the last Scandinavian Congress in Copenhagen (August, 1901), a resolution was passed unanimously, which recommended co-operative societies under certain conditions.

The Danish labour movement has also done very little for economic education. There are a great many socialist newspapers, *e.g.* the *Social Demokrat*, in Copenhagen, as well as about twenty in the provinces. But these papers only exist for propagandist purposes; they are quite outside the influence of Church and religion. A Churchman is rarely found among these party agitators. But though there are few adherents of the Socialist party among the propertied classes, yet these are not necessarily opposed to the best interests of the workers.

Each side needs education in the ideas of the other, in order that the workers may learn to recognize the rights of other classes, and to estimate the true value of their opinions; and that the propertied classes may understand the real meaning of Socialism, and the tendencies of the Labour movement.

It is for this education that we are working in our "Social Institution and Library" which was founded in Copenhagen in the year 1900; and which follows the pattern partly of the Fabian Society, and partly of the Christian Social Union. As yet our society is not a great force; but it is increasing; and we hope that we are on the eve of great progress.

FERNANDO LINDERBERG.

**THE EDINBURGH LEGAL DISPENSARY.**—Amongst the agencies at work in our midst for improving the condition of the poor, there is one that is but little heard of as yet, being only of recent origin. It contains possibilities, however, of far-reaching benefit; and it may be described by the somewhat curious phrase of a Lawyers' Charity. The underlying idea is that, just as there are hospitals and dispensaries where

the poor can have their bodily ailments cared for, so there ought to be corresponding places at which they could obtain gratuitous advice from qualified lawyers in regard to their legal troubles and difficulties. It is admitted that these have often to go unredressed owing to the fact that there is no means of assistance within reach.

At the same time, it should be explained that in our own, and in most if not all civilized countries, there are already systems in existence, created by the State, for affording legal aid to persons unable to pay for it.<sup>1</sup> These State systems have recently formed the subject of a careful and instructive paper, which was read by Mr. John P. Coldstream, W.S., of Edinburgh, at the Glasgow Conference of the International Law Association in 1901. Mr. Coldstream shows that, while the various systems in vogue have, on the whole, a remarkable degree of uniformity, and possess an "elaborate and wise machinery" for enabling the poor to obtain justice, yet, on the other hand, they are all deficient in two important respects. First, their machinery seems exclusively intended for those cases alone which require the intervention of the courts; and secondly, and in consequence, they are all devoid of that special, so to speak, "dispensary" attribute, viz. a fixed and well-known resort where advice can be had at definite and convenient times.

It is probably, after all, in the right order of things that the State should have left the more private branch of legal aid to the benevolent instinct of the community. And doubtless in former times, when the grouping of society was on a scale so much smaller and more intimate, there would always be men of known integrity to whom the poor would go for advice. And so, perhaps, we need not be surprised to learn that in this country it was not till about the year 1890 that the first attempt in this direction of an organized kind was made. This, according to Mr. Coldstream, was "The Poor Man's Lawyer," as the institution is called, of the Oxford University Settlement in Canning Town, London. About the same time a similar good work was begun in Browning Hall. Since then quite a number of the "Poor Man's Lawyers" have sprung up in London.

It was in New York that the very earliest known institution of the kind first saw the light, though of course there is really nothing new under the sun. It was founded in 1876, in order to cope with the wrongs of the German immigrants. This is now the great "Legal Aid Society" of New York, which at the celebration of its twenty-fifth anniversary received the thanks of the Governments of Austria, Russia,

<sup>1</sup> The subject was dealt with in one of the Articles of the Hague Convention of 1896, under the name of *L'Assistance Judiciaire*.

and Great Britain for what it had done for their subjects; while the Consuls-General of France, Germany, and other countries made personal acknowledgment.<sup>1</sup> In 1901 the number of cases dealt with by the society amounted to the large figure of 15,880.<sup>2</sup> It would be strange if such an example were not to spread, and, while we may lament that so very few of us are zealous enough and brave-hearted enough in our patriotism, we must also have patience and hope.<sup>3</sup> It is certain that a wise patriotism as well as a zealous philanthropy would plead for every means that would make the assistance and protection of the laws as easily accessible to the poor as possible. The very loyalty of the poor in this country to the laws is itself a reason for the doing away as far as we can with the barriers that poverty undoubtedly creates.

But, it has sometimes been asked, is there no danger of encouraging groundless disputes by offering free law to the poor? This is quite a natural question, and one which allows those who have had any experience in the working of a "poor man's lawyer" to reply, unanimously, that the result is all the other way. Doubtless, the more legal dispensaries we create, the more law shall we dispense. But it only needs a moment's reflection to see that the more the poor can obtain responsible and disinterested counsel from men who are actuated by the motives of a "dispensary" lawyer, the more will quarrels be allayed and groundless claims discouraged. And one other important result would be that the present opportunities for the continuance of a certain class of unscrupulous practitioners, whose chief aim is to lead the poor into unjustifiable litigation, would be greatly diminished.

The purpose for which I was asked to prepare this statement was really only in order to give a brief account of the institution which has been established in Edinburgh under the name of the "Edinburgh Legal Dispensary." I had no idea, when I undertook to do so, that I should find it necessary to make so long an introduction. It will presently, however, be obvious that there is a very close connexion between Mr. Coldstream's paper at the conference of the International Law Association and what is to follow. Mr. Coldstream is also the public-spirited founder of the Edinburgh Legal Dispensary. He had happened to have gained some insight into the working of the "Poor Man's Lawyer" at Toynbee Hall, and he knew that in the

<sup>1</sup> *Report of Speeches and Letters.*

<sup>2</sup> *Annual Report for 1901.*

<sup>3</sup> There are now known to be similar institutions, besides those mentioned in the text, in Boston, Philadelphia, Baltimore, New Jersey, Copenhagen, Paris, Rome, Naples, Vienna, Christiania. Inquiries for information have been received in Edinburgh from Bournemouth, Bristol, and New Zealand.

western capital of Scotland legal advice had been organized for some years in connexion with the Glasgow University Settlement. And so it came about that in February, 1900, Mr. Coldstream, in company with two other members of the profession, held the opening sitting of this new philanthropic venture. A suitable habitation had been found, consisting of a consulting-room and waiting-room in the Canongate—a situation most convenient in regard to the purpose, and, as I may be pardoned for noting, very rich in associations with the romantic history of the Stuarts.

From its opening onwards the "Dispensary" was held every Tuesday night for about two hours throughout the year, with the exception of Christmas Day and New Years Day, one lawyer, sometimes two or more, being in attendance. The statistics for that first year were as follows: 206 persons—88 men and 118 women—were advised. Consultations numbered 274—an average of close on 5·5 for each sitting.

These results, taken in conjunction with the fact that the clients belonged to the class intended to be reached,<sup>1</sup> and that the cases dealt with had been of a very real nature, led Mr. Coldstream to call a meeting of citizens, so that interest in the work might be extended and an organized society formed. Under these auspices the second year's results have shown a satisfactory advance. From the Report for the year ending February 28, 1902, it appears that 310 persons received advice—131 men and 179 women; and that the consultations numbered 480, being an average for the 51 weekly sittings held during the year of nearly 9·5. For the subsequent nine months to the end of November a still further advance has to be recorded, the average of consultations having risen to slightly over 12·5.

The cases have covered all the different forms under which trouble comes into the life of the individual or the home. Disputes between husband and wife numbered 75; debt, including obligations arising out of guarantee, 50; parent and child, 46; landlord and tenant, 34; succession, 23; injury or slander, 30. Such are the leading items in the table for the past year. I have had frequent conversations with the lawyers who have acted at the Dispensary, and have twice been present during a sitting. From the very direct knowledge thus acquired I can speak with conviction of the need—the sore need—that exists for this help; and I am also greatly impressed with the motive and the spirit and the success of the young lawyers who are

<sup>1</sup> One of the rules is that "no client shall be advised until a ticket is produced giving name, address, and age. The occupation, the amount of wages, the number of family of the client shall be added by the lawyer in attendance."

taking up the founder's lead and doing such splendid work. One of the rules—these were drawn up at the beginning of the institution's second year—provides for the annual appointment of at least six lawyers to attend and advise at the Dispensary, and of two consulting lawyers of at least fifteen years' standing.

So far, then, I have tried to give the reader an impression of the origin of the Dispensary, of the character of its work, and of the lawyers and their clients. There is still one point, however, which may have raised a further question, viz., the concurrent existence of the State-appointed lawyers for the poor,<sup>1</sup> and the probability that amongst the cases coming before the Dispensary lawyers there must have been a considerable number which involved proceedings in the Courts. This matter had from the first been carefully provided for, and one of the rules is to the effect that the Dispensary lawyers shall send every client whose case is of that nature to one of the agents for the poor. There is thus no overlapping—the province of the latter virtually being, as has been said, to obtain justice in the tribunals, and of the former to give that equally needful help which is got from a lawyer's sound advice and well-timed letter; for many letters are written in connexion with the Dispensary.

If this account should have the good fortune to kindle a desire in any one to try a similar experiment in his own town, the expense need be no deterrent. The whole cost of the Edinburgh Legal Dispensary for these two first years amounted to under £30.

ROBERT DOUIE URQUHART.

THE SANITARY INSTITUTE CONGRESS was held last September at Manchester. Between one and two thousand tickets were said to have been sold or given away; for the Sanitary Institute is a propagandist body, and makes a practice of inviting to its conferences all those whose work or whose position indicates them as likely to profit thereby. The outsider, looking back over a quarter of a century or so, is first of all and most forcibly struck with the progress that has been made in those branches of sanitary science which are intertwined with municipal undertakings—or, as perhaps it should rather be put, with an advanced municipal socialism. Among sanitarians are to be found some of the most earnest and fearless supporters of municipal activity. To be sure, at the Manchester Congress, the socialistic bias

<sup>1</sup> The provision in Scotland for admitting poor persons to litigate *in forma pauperis* goes as far back as an Act of 1424: "The King for the love of God shall ordaine the judge . . . to purwey and get a keill and a wise advocate to follow sikk pure creatures' causes."

of the meetings seemed often to be unsuspected by the meetings themselves. When one adventurous speaker boldly proposed, in so many words, that cooked food should be supplied by public authorities to the people at the lowest, or even lower than remunerative prices, the proposition met with small favour, and even with some levity. But, on the other hand, no one there thought—indeed, no one anywhere thinks—that the food of the people is no affair of a corporation; it was only this particular development of activity that found disfavour. In Manchester the members of the Congress were specially invited to inspect and to admire the city's Cold Air Stores and Chill Rooms, erected in 1894 with the avowed object of lessening waste of food, of equalizing prices, and of making food by this means cheaper and more plentiful. And during the circular tours that were arranged every afternoon for the systematic inspection of the varied and extensive undertakings of the Manchester and Salford Corporations, the chief regret on the part of visitors and guides seemed to be that it had not hitherto been possible to do more, or successfully to expend more of the public money for the benefit of the community at large. Objections to municipal trading come from another quarter, from economists rather than from sanitarians pure and simple, who, in the nature of things, see faintly, or not at all, the difficulties in the way of huge public undertakings; who can plead that they have in the last thirty years educated the public, if not up to a uniformly cheerful submission to inspection, and to all the legal requirements of health committees, at least beyond any desire to return to the old insanitary state of things, engendered under a *Laissez faire* policy; and who, although, or even because, they may be inspired only by pure selfishness, do seek to make all men healthy, seeing how disease breeds below and spreads upwards "without regard to height of rank or wall of caste." And they are not harassed by any evidence to show that this or that undertaking fails, in the ordinary acceptance of the term, to pay, because they know well that the outlay on sanitary improvements is commonly debited to one account, while the money return is credited to another. Indeed, when one comes to think about it, the greater number of municipal undertakings never can pay, and are not expected to. Only it would pay even less well to close them. Ambulance stations and sewage works, to take two examples, mean so many pence on the rates which nobody grudges. And, on the face of it, and from the sanitarian's point of view, there seems little valid reason why many other undertakings should not with equal justice be added to this non-paying list.

In fact, by every municipality they constantly are added. To take

another example, one of the best attended conferences was that on the prevention of tuberculosis in man and beast. Manchester, not willing to wait till law makes notification of phthisis compulsory everywhere, has a voluntary system of notification of its own, which works through the medical officer of health and his staff, and in connexion with an association of non-official health-workers, who do much of the visiting, and personally instruct the patient and his friends in disinfection. The money and time cost of such work is, no doubt, considerable, and the money gain is not easily to be reckoned, nor set down on any special page of the city's accounts. Yet here it is given in outline :—

“An investigation was made by Dr. Beatty into the records of cases of phthisis on the books of the Manchester Health Department, in order to ascertain how far the methods of administration, especially in respect to disinfection, were successful. He investigated the facts relating to 153 houses in which the patient had died and disinfection had been carried out, and those relating to 50 houses where no disinfection had taken place. In the 153 houses no infection occurred subsequent to disinfection, while in the 50 undisinfected houses four cases occurred, of which three were almost certainly due to occupation of the infected houses.” So nine cases of phthisis were prevented, *i.e.* not only the personal suffering from them, but also the loss of work and of breadwinners, and the cost to the rates of the maintenance of the sick persons in infirmaries, and possibly of their dependants in pauper schools, not to speak of the cases that would, in the ordinary course of events, have followed by direct infection on the nine.

A similar chain of reasoning could fairly be pursued in dealing with the profit and loss accounts of the municipal dwelling-houses, lodging-houses, baths and wash-houses, and the like. These last have been open only a few weeks—too short a time to show whether or how far they cover expenses and interest on capital. It takes some time for an institution of the kind to become known and popular among the slow-moving class for whose benefit it is chiefly intended. But two living instances show that profit accrues, indirectly as well as directly, to the city. During a visit lasting, perhaps, a quarter of an hour, one woman said she came to wash there because her husband was a French polisher, and the steam injured his materials, and had hitherto kept him idle on washing days ; while another said that, by the aid of all the appliances for drying and ironing as well as washing, she had finished in four hours, at a cost of sixpence, an amount of work that would at home have occupied her for a whole day long. It was only necessary to compare the stature and complexion of the women using the wash-house with those of the visitors, to know that the former,

whether as girls or mothers, had far too many hours of indoor work, and that any diminution would lead to better health in this and future generations. The Corporation's lodging-house in Harrison Street is of the type familiar to Londoners as Lord Rowton's hotels, only, fortunately or unfortunately, the financial result is not as good. Members of the Congress were assured that the house would pay if it were full, but that it never is; which may be because the demand for this class of accommodation was overestimated, or may be because rents outside are in Manchester lower than in London, while the cost of upkeep of the house is practically the same. Certainly, within a stone's-throw of the lodging-house are rows upon rows of two-storeyed homes of the poor, showing plainly that ground is a long way yet from being as valuable as in the neighbourhood of Lord Rowton's London hotels. And the tall tenement dwellings erected in the city did, one could but feel, compare in some respects unfavourably with the small houses that private enterprise is still able to provide. And Manchester is also fortunate in the possession of suburban areas at a short distance from the work of the city, where small self-contained houses are let as a commercial speculation at prices comparing favourably with those of the tenements, which range from 2s. 6d. for a single room to 6s. 3d. for three rooms and a scullery, and which at that rate do not pay. But it is not in Manchester alone that blocks of tenement dwellings in the heart of a city have been found, after some years' occupation, to be little better in any respect, and decidedly worse in some respects, than the houses they superseded; and the latest acquisition of the Corporation, under the Housing Act of 1890, is the Blackley estate, of 238 acres of agricultural land, on the northern outskirts of the city, where houses are to be built and allotments granted. It is an estate but a trifle larger than the model village of Port Sunlight, which has been already described for the readers of this *Review*, and which was visited by a large number of the members on the last day of the Congress.

E. A. BARNETT.

**PUBLIC-HOUSE TRUST COMPANIES.**—The information which has recently been published with regard to this method of temperance reform is on the whole fairly encouraging. For instance, Mr. Everard Hesketh contributed an article on this subject to the September number of the *Economic Journal*, which is particularly interesting and instructive. He deals with every objection which has yet been raised to Lord Grey's venture, and refutes the stock arguments which one finds put forth at so many conferences and temperance meetings. It would be well if our opponents paid some attention to his conclusion: "Doubtless

the impossibility of securing a monopoly makes the attainment of the full benefits of the system beyond the reach of trust companies, nevertheless they can do a large amount of beneficent work, and can pave the way for legislation in the future." No one who has had any experience of public-house reform would be inclined to extol the remedy as complete; we only contend that we are doing the best that can be done under the circumstances, and until public opinion changes sufficiently, if it ever does, for legislation to take a more drastic form in dealing with a gigantic evil. At all events, enough evidence has now been gathered to prove that almost wherever the experiment has been tried drunkenness decreases. I have frequently asked the question of persons who have had the opportunity of observing, and nearly always got a reply that the inhabitants generally approve of the system (which, of course, means the respectable inhabitants); that the police have fewer complaints; and sometimes I am told that rowdiness and drunkenness, which prevailed under the old *régime*, have quite disappeared. This kind of evidence comes rather from smaller places, where the system has been adopted for years, and the competition is slight. Of course, when a reformed public-house is worked in a populous neighbourhood with others in competition, it is not so easy to produce such evidence; nevertheless, the following extracts from the Annual Reports of the Trust Companies issued last year are most encouraging:—

The Durham and North Yorkshire Company, during the first seven months of its existence, earned 5 per cent. on its called-up capital, and was enabled to hand to the Council a sum of £25 for local distribution. During the year under review, the company had acquired one new licence and five public-houses, and was negotiating for others. The Report adds:—"If we only increase the number of model public-houses—that is, where the liquor is sound, where the customer can easily and readily obtain food and non-alcoholic refreshments, and where no pressure is used or inducement given to customers to drink more than is good for them—we shall have done a useful work; but we hope also, as soon as our funds permit, to be able to develope in other directions, by offering counter-attractions to merely sitting drinking in a public-house, and also to assist local objects out of our profits."

The Directors of the Glasgow District Public-House Trust Company state that "4 per cent. (the maximum allowed) has been paid on the capital, and £120 has been set aside for objects of public utility, with special regard to fostering counter-attractions to the public-house, and encouraging rational recreation and entertainment." They add that the growth of the movement during the year has been most remarkable.

The Report of the Ulster Public-House Trust Company, in describing the "Crown and Shamrock" at Carnmoney, near Belfast, now under the company's management, says : "A cheerful and beautiful inn has been provided. The best and cheapest food, with tea and coffee or soup, is continually available, and only the very best drink is sold. There has been no drunkenness permitted on the premises, and no breach of the Licensing Acts. Good conduct and sobriety have prevailed, and the inn has been used and appreciated by all classes of the community. At the present time over 40 per cent. of the customers order non-intoxicants and food. This, considering the former state of affairs, and in a district not by any means noted for temperance, is very remarkable. The written opinions of local clergymen, magistrates, farmers, artisans, and others, have been received, and they all speak in the highest possible terms of the lines on which the inn is conducted."

Messrs. Nimmo & Co., coalmasters, of Standburn, Muiravonside, have published the following account of the results of a year's management of a public-house established by the company, three years ago, on the trust system : "The value of liquor consumed shows a gratifying decrease (21 per cent.) compared with the corresponding period last year—partly owing to the lower wages prevailing among miners during this year, but also, we believe and hope, to a large extent to the ameliorating influences at work among them. During these three years we have provided the services of a sick nurse ; we have set up an ambulance waggon and house to keep it in ; and, at a cost of £2,600, we have established a counter-attraction to the public-house in the shape of a large hall, capable of seating five hundred people, in which lectures, concerts, and all sorts of entertainments are held, with a recreation-room containing billiard tables, and a reading-room, the whole lit by electricity, and all paid for out of the profits of the public-house. The hall has been in use for a year, under the charge of a local committee chiefly composed of miners. It has been run on self-supporting lines, so that, even if the public-house ceased to exist, it would still go on. The trustees are much gratified to hear from the working men how much the hall is appreciated, and the good it is doing, especially among the younger miners, who spend their evenings there, instead of in the public-house."

I cannot help thinking that more might be done in some cases, where our system succeeds, by way of earlier closing. I am told that this would be very difficult financially, where there is any competition, and that if the respectably conducted house is closed earlier than others, people would only move out of it to drink elsewhere. Possibly they

might ; but I am rather inclined to class this with other fears expressed, and so well replied to by Mr. Hesketh, as not yet verified. I do not urge earlier closing where it is obviously impracticable ; but there must be some houses now under the trusts, or coming into their hands, where earlier closing would be welcomed by most of the inhabitants, and would prove beneficial. It is necessary, before taking steps in this direction, to ascertain the feeling of the magistrates ; if they are likely to pronounce it illegal to close before the recognized hour, the thing cannot be done, but they will not always take this view. Our " public " at Hampton Lucy, in Warwickshire, now closes at 9 p.m. instead of 10 every night, and is open for one hour only on Sunday, after morning and evening service.

If the surplus profits are devoted to counter-attractions, by all means let these be provided (as advised by Messrs. Rowntree and Sherwell) as far as possible *away* from where liquor is sold. I must take this opportunity of repeating a hope expressed in my evidence before the Royal Commission, that, as time goes on, and the movement spreads, the hospitals may benefit in many places. The application of the profits to such a cause would be popular, undenominational, always needful, and would leave ample scope for private charity.

OSBERT MORDAUNT.

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

THE parliamentary output has not yet recovered from the fall which it underwent about 1895, with the result of rendering the recent annual volumes of statutes smaller than they had been for a century at least. If the decline merely meant that the nation had given up imagining that every evil can be cured by legislation, it would be a matter for congratulation, but what it does mean is rather that all kinds of abuses and inconveniences are maintained because present parliamentary arrangements give no chance to the mere reformer.

The step of deepest economic interest taken during the past session is, of course, to be found in the section of the *Finance Act*, 1902 (2 Edw. VII. ch. 7, 8vo, 5 pp., 1d.), which imposes a duty of 3d. per cwt. on imports of wheat, barley, oats, rye, buckwheat, peas, and beans (not fresh), lentils, rice (other than whole and cleaned); a duty of 1½d. per cwt. on imported maize and any offals which are feeding stuffs and do not contain more than 50 per cent. of starch; a duty of 5d. per cwt. on flour and the meal or milled products of any of these grains except maize, and on starch, arrowroot, cassava powder and tapioca, potato flour, sago, malt, pearled barley, whole and cleaned rice; and, lastly, a duty of 2½d. per cwt. on the meal or milled products of maize. To deny that these import duties are protective is a childish attempt to wrest a word from its well-recognized signification. Whether a duty is protective in the ordinary sense of the word does not depend on whether the persons who introduced it intended to "protect" home industries or only to raise revenue. The raising of revenue is an incident of all protective duties except those which are prohibitory, and usage is entirely in favour of a "protective" duty being one which actually protects, whatever its promoters (who may have been dead and buried for centuries) may have intended. The protection afforded, however, is doubtless so small that if the duty remains at its present amount it may reasonably, though not perhaps justly, be contended that the inconvenience involved in its protective character may be outweighed by the inconveniences of obtaining revenue in other ways or from other sources. The duty, however, it may be safely prophesied is not at all likely to remain the same as at present. Unless soon

abolished altogether, it is certain to be raised, and when once raised it will be raised again. The argument by which it was recommended, namely that anything so small could not possibly make any difference, can obviously be used again with exactly equal force of each little addition. If the first 3d. a cwt. makes no difference, no subsequent threepences can make any difference.

The *Shop Clubs Act*, 1902 (2 Edw. VII., ch. 21, 8vo, 3 pp., 1d.). makes it an offence to require as a condition of employment that a workman shall discontinue his membership of a friendly society or that he shall abstain from becoming a member. It also makes it an offence to require that the workmen shall join a shop club or thrift fund, unless the institution is registered under the *Friendly Societies Act*, 1896, and certified by the Registrar to offer substantial benefits at the cost of the employer, and to be of a permanent character. The Registrar is also to satisfy himself that at least 75 per cent. of the workmen desire the establishment of the club or fund. The Act provides further that, if a member leaves the employment by dismissal or otherwise, he shall not sacrifice his interest.

The *Licensing Act*, 1902 (2 Edw. VII., ch. 28, 8vo, 14 pp. 2½d.), which comes into force on January 1, 1903, besides the many provisions of personal interest to publicans, clubs, and drunkards which have been made common knowledge through those sources of information which are drawn upon at more frequent intervals than this *Review*, contains two provisions for the protection of the families of drunkards which, with some extension, should tend to put an end to a vast amount of suffering. Sect. 2 enables the wife or husband of an habitual drunkard to obtain a separation on certain reasonable conditions. Sect. 2 prescribes a penalty not exceeding forty shillings, or one month, for being "found drunk in any highway or other place, whether a building or not, or on any licensed premises, while having the charge of a child apparently under the age of seven years." It has long been an offence to be drunk in a highway while in charge of a horse, the idea being that a horse driven by a drunken man may injure the other occupants of the highway, and now children rank along with the horse, though on the somewhat different ground that the drunkard is likely to do them an injury. It may well be asked, however, whether the drunkard is not a greater danger to the child indoors than in the street, and before long we may fairly expect to see it made an offence to be drunk in charge of a child anywhere. For children able to run, however, the present measure should be of considerable value, as it makes the street a safer refuge, and the first policeman a more efficient protector than heretofore.

The Labour Department's *Report on Strikes and Lockouts in the United Kingdom in 1901, and on Conciliation and Arbitration*

*Boards* (Cd. 1236, 8vo, 134 pp., 6½d.) shows, like the Report for 1900, a reduced number of disputes, a stationary number of persons affected by them, and a considerable increase in the length of the disputes. The number of disputes recorded was 642, against 648 and 719 in 1900 and 1899; the persons affected were 179,546; against 188,538 and 180,217; while the aggregate number of days lost was 4,142,287, against 3,152,694 and 2,516,416. This number of persons, formidable in its absolute amount, represents less than 2 per cent. of the total number of persons employed in the trades recognized by the Labour Department, and much less than 1 per cent. of the total working population, male and female. The aggregate number of days is about half a day per annum to each person in the Labour Department's trades, and less than a quarter to each member of the working population. As to the causes of dispute, we may notice that persons affected by demands for increase of wages were in an overwhelming majority over those affected by demands for decrease in 1898 and 1899, and still in a large majority in 1900; but in 1901 the two parties were not far from equality, the first being 19,886 and the second 14,852. The "Results" table shows the employers to have succeeded as regards more of the persons affected than the other side; but this table really does not tell us very much, since in every year such a large proportion of the disputes are "compromised" that a variation in the terms of this class might very well sweep away an advantage obtained in the two classes of disputes which terminate definitely in favour of the employers or in favour of the workpeople. Moreover, it might easily happen that the 27·45 per cent. successes to the workpeople might represent a greater success than the 33·81 per cent. scored by the employers.

The *Appendix to the Final Report (England and Wales) of the Royal Commission on Local Taxation* (Cd. 1221, fol., 225 pp., 2s. 7d.) consists of—I. Memoranda upon the Principal Services locally administered, 31 pp.; II. Statistics of Local Taxation, 152 pp.; III. Exchequer Contribution Accounts, 9 pp.; IV. Table classifying Taxes raised by Parliament for Imperial Purposes in 1899–1900, 3 pp.; V. Memoranda upon the Treatment of Government Property in connexion with Local Taxation, 6 pp.; and VI. Table showing the effect of Lord Balfour of Burleigh's Scheme for the Distribution of Imperial Grants, 21 pp. The first of these sections enumerates the various services performed by local authorities, and relates how the central Government has contributed towards their cost or otherwise meddled with them. It forms a useful compendium, and it is a pity both this and the next section are vitiated here and there by the groundless belief that there is some force in the nominal allocation of the Exchequer contribution to certain expenses of the authority which

receives the contribution. It is obviously absurd to talk about the service of providing police being specially "aided from funds derived from imperial sources" by the amount which county and county borough councils are compelled, by the childish provisions of the Local Government Act, 1888, to pay from one of their accounts to another. On the page immediately preceding that on which this erroneous statement is made, it is quite correctly remarked that "the contribution from the Exchequer ceased" in 1888. If it ceased, as it did, how can it be still in existence? How long will it be before Whitehall and Parliament discover what every county and county borough finance committee has known for fourteen years—that the whole of the Exchequer contribution is a lump sum in aid of rates every bit as much as if it were income from corporate estate? It is true that it is nominally allocated towards meeting certain liabilities of the councils, but as it is not increased or diminished one penny by an increase or decrease in those liabilities, and those liabilities are not in any way dependent on its amount, this allocation cannot possibly be of the smallest interest or importance to any human being, except in so far as it wastes paper, ink, time, and perhaps temper. The second section contains a vast mass of statistics which are mostly to be found in the annual local taxation returns. In table ix., however, which gives particulars for each union, there are some useful additions, such as the expenditure of the overseers and guardians per head of the population. The third section contains the Local Government Board's account of what is required to be done with its Exchequer contribution by a county or county borough, and tables showing some of the results. The fourth section contains a classification of taxes which appears to be the product of an attempt to modify the erroneous and futile classification by Lord Milner submitted to the experts by the commission (*Economic Review*, Jan., 1900, p. 111). It attempts to divide taxes into two great heads—"taxes incidental to the ownership, occupation, and transfer of property" on the one hand, and "taxes not incidental to property" on the other. The whole of the revenue estimated to arise from the penny stamp on receipts and cheques is considered to be incidental to the ownership, occupation, or transfer of property, while the railway passenger duty is placed in the other class. All the customs and excise duties (including those on beer, wine, and spirits), except £2,329,000, are on commodities of primary necessity" (the *Report* itself adds, "or of general consumption"). The taxes incidental to the ownership, occupation, or transfer of property are arranged in two columns, of which one is headed "Rateable Property," and the other "Non-Rateable Property," but no attempt is made to estimate the amounts of the two kinds of property. From the

inclusion of the stamp duties on life insurances and receipts and cheques in the class of taxes on non-rateable property, we can only conclude that the Commission never formed any clear conception of what it meant by non-rateable property. The fifth section explains the methods followed in regard to "Government contributions in lieu of rates." The system at present is simply that Government property is assessed for contribution just as other property is assessed for rates, except that the Government appoints the valuer, and his decision is final. As the Government represents the country at large there seems little objection to this arrangement, which, it is remarked, "relieves both Government and local authorities from controversy and litigation," a merit which will appeal to ratepayers in places where the assessment of peculiar classes of property has found its way into the law courts. The last section consists of a long table comparing in every union the present rating in 1899-1900 with that which would have been in force if Lord Balfour of Burleigh's scheme of subvention had then been in operation. This scheme is an attractive one, but it is very doubtful whether it is worth while to adopt such a complicated system for the sake of the greater equality which it might introduce. It certainly could not be worth while in regard to police expenditure, which is very uniform throughout the country outside London. Moreover, a system which will make it pay to falsify the census is much to be deprecated on that ground.

The *Report from the Select Committee on Savings Banks Funds, with Proceedings, Minutes of Evidence, etc.* (Commons Paper, 1902, No. 282, fol., 281 pp., 2s. 4d.), would be useful if there were any chance of Parliament attending to it. The Committee was appointed "to inquire into the general condition of both savings banks funds" (i.e. those of the post office and the trustee banks) "in respect of their capital and income accounts, and the authorized investments thereof, with special reference to the loss of income which will be incurred by the reduction of the rate of interest in [*sic*] consols in 1903, and to report whether any administrative reforms are required in either class of savings banks." The Committee begin by estimating the amount of annual deficits likely to occur on the income account in the next six years, and find it will soon amount to over £300,000. Then they consider the suggestion that the National Debt Commissioners should be allowed to purchase other securities than those issued or guaranteed by the British Government and reject it, concluding that, in addition to certain economies in working the banks, what is required to make the funds continue solvent is a reduction of  $\frac{1}{8}$  per cent. in the rate of interest allowed by the National Debt Commissioners to the trustee savings banks and by the post-office to its depositors. They also recommend that in the statement of assets and liabilities of the funds

the practice of valuing the securities at the market price of the day (which has been often denounced in these pages) should be abandoned.

Though the Report is in the right direction, it is an exceedingly weak one, because it shows no sign of any recognition of the real position. A very large portion of the national debt, about 200 millions, consists in reality of a liability to pay that amount on demand to depositors in the savings banks. It shows a fundamental misunderstanding of the case to talk seriously about the "investment" of the 200 millions in this, that, and the other security. The 200 millions has been invested in redeeming obligations of the State to other private persons. To reinvest it in housing schemes or anything else simply means that the State would have to borrow from private persons to advance the money. If any such transaction is entered into, it should at any rate be kept entirely distinct from the affairs of the savings banks depositors. A really intelligent and brave Chancellor of the Exchequer would simply cancel all the British Government securities held by the National Debt Commissioners on behalf of the savings bank, and put, in their stead, in the national debt accounts—

Liabilities to trustee savings banks	... ..	£ 52,808,000
Liabilities to post-office savings banks depositors	... ..	£140,409,645

If this arrangement were made, the Treasury would, of course, be given power to borrow at any time, in the most convenient manner, whatever sums might be necessary to meet the liability, and this would meet the remote but possible contingency of a large run much better than the present system, which makes the solvency of the bank depend on the possibility of selling at a certain price the particular kind of securities in which the deposits are "invested."

Between the date of our last *Review* and Christmas the full particulars of twenty more counties have been issued from the Census Office; we place them for convenience of reference in alphabetical order: *County of Chester* (Cd. 1213, 93 pp., 1s. 3d.), *Cornwall* (Cd. 1360, 67 pp., 1s. 2d.), *Derby* (Cd. 1303, 75 pp., 1s. 2d.), *Devon* (Cd. 1271, 99 pp., 1s. 5d.), *Glamorgan* (Cd. 1212, 71 pp., 1s. 1d.), *Gloucester* (Cd. 1289, 80 pp., 1s. 2d.), which includes the whole of Bristol, *Hants* (Cd. 1270, 99 pp., 1s. 4d.), *Leicester* (Cd. 1346, 68 pp., 1s. 1d.), *Lincoln* (Cd. 1304, 106 pp., 1s. 6d.), *Middlesex* (Cd. 1211, fol., 64 pp., 11d.), *Monmouth* (Cd. 1361, 62 pp., 1s.), *Norfolk* (Cd. 1305, 90 pp., 1s. 2d.), *Northampton* (Cd. 1359, 74 pp., 1s. 1d.), *Northumberland* (Cd. 1294, 77 pp., 1s. 4d.), *Nottingham* (Cd. 1292, 64 pp., 1s.), *Somerset* (Cd. 1347, 84 pp., 1s. 2d.), *Suffolk* (Cd. 1345, 82 pp., 1s. 2d.), *Surrey* (Cd. 1272, 65 pp., 11d.), *Sussex* (Cd. 1290, 87 pp., 1s. 4d.), *Worcester* (Cd. 1293, 72 pp., 1s. 1d.).

EDWIN CANNAN.

## REVIEWS.

DEMOCRACY AND SOCIAL ETHICS. By JANE ADDAMS.  
[281 pp. Crown 8vo. 5s. net. Macmillan. New York, 1902.]

This is an unusually interesting and, in no conventional sense, an exceedingly suggestive book. Its author is the well-known head of Hull House, Chicago ; and her studies are perhaps the most important contribution yet made from the side of social settlements towards the social problem. It is to the statement rather than to the solution of the problem that Miss Addams addresses herself, but it is just in her statement of the problem that the peculiar value and distinction of *Democracy and Social Ethics* may be said to lie.

Miss Addams starts with the consideration of what is involved in the new demand made upon the conception of morality by the increasing sensitiveness to social obligations—to obligations, that is, extending beyond the conventional requirements of family and personal morality. The test of conduct is coming more and more to be definitely recognized as a social test ; and this has created for those who have felt the "social compunction" a new moral situation, and a more or less articulate demand for a code of social ethics. "The conception of life which they hold has not yet expressed itself in social changes or legal enactments, but rather in a mental attitude of maladjustment, and in a sense of divergence between their consciences and their conduct. They desire both a clearer definition of the code of morality adapted to present-day demands and a part in its fulfilment, both a creed and a practice of social morality. In the perplexity of this intricate situation at least one thing is becoming clear : if the latter-day moral ideal is in reality that of a social morality, it is inevitable that those who desire it must be brought in contact with the moral experiences of the many in order to procure an adequate social motive" (pp. 4, 5). This means that "even as the ideal itself must be a rational development of life, so the strength to attain it must be secured from interest in life itself. We slowly learn that life consists of processes as well as results, and that failure may come quite as easily from ignoring the adequacy of one's method as from selfish or ignoble aims. We are thus brought to a conception of democracy not merely as a sentiment which desires the

well-being of all men, nor yet as a creed which believes in the essential dignity and equality of all men, but as that which affords a rule of living as well as a test of faith" (p. 6). There are many indications, Miss Addams adds, that "this conception of democracy is growing amongst us. We have come to have an enormous interest in human life as such, accompanied by confidence in its essential soundness. We do not believe that genuine experience can lead us astray any more than scientific data can. We realize, too, that social perspective and sanity of judgment come only from contact with social experience; that such contact is the surest corrective of opinions concerning the social order, and concerning efforts, however humble, for its improvement" (p. 7). "Already there is a conviction that we are under a moral obligation in choosing our experiences, since the result of those experiences must ultimately determine our understanding of life" (pp. 9, 10).

These quotations give the key to the studies which follow: they are studies of various types and groups who "are being impelled by the newer conception of democracy to an acceptance of social obligations involving in each instance a new line of conduct." No attempt, Miss Addams observes, is made to reach a conclusion, nor to offer advice beyond the assumption that "the cure for the ills of democracy is more democracy; but the quite unlooked-for result of the studies would seem to indicate that while the strain and perplexity of the situation is felt most keenly by the educated and self-conscious members of the community, the tentative and actual attempts at adjustment are largely coming through those who are simpler and less analytical" (pp. 11, 12).

I must resist the temptation to follow in detail Miss Addams' treatment of the six problems she selects for consideration, and her studies are too intimate to be summarized. It will be sufficient to draw the attention of the readers of the *Economic Review* to her treatment of the difficulties and perplexities presented by "charitable effort" (particularly instructive), by the conflict between family and social claims, by the problem of "household adjustment" or domestic service (particularly interesting), by experiments in "industrial amelioration," by our educational methods, and by political reform (rather more topical than the other studies). The "Citizens' Library of Economics, Politics, and Sociology" has produced many interesting and valuable volumes, but none more interesting or valuable than *Democracy and Social Ethics*, and if any justification were needed for social settlements, it is to be found in these admirable studies.

SIDNEY BALL.

**INDUSTRIAL CONCILIATION.** Report of the Proceedings of the Conference held under the Auspices of the National Civic Federation in New York, December 16 and 17, 1901. [xiii., 278 pp. Crown 8vo. 6s. Putnam. New York, 1902.]

The history of the movement to which this book has reference deserves to be recorded. In 1894, just after the so-called "Pullman Strike," a conference was organized by the Civic Federation of Chicago. This served to call attention in a general way to the benefit likely to accrue to the community from the adoption of peaceful methods in regard to the settlement of labour disputes. In 1900 a second conference was held at Chicago by what had now come to be the National Civic Federation. This conference marked a step in advance. The idea of Conciliation as something distinct from Arbitration was struck out, Conciliation being taken in this sense of the more or less informal adjustment of differences by parley between representatives of the contending parties, whilst Arbitration was identified with the formal appointment of an umpire. Further, this idea of conciliation was made to take concrete shape in various definite proposals. One was that employers and wage-earners should enter into annual or semi-annual contracts; another, that all industries should establish regular boards of conciliation; a third, that the conference itself should appoint a committee of twelve, half of them of the employer, and half of the employee, class, which should tender its good offices not merely when a strike or lock-out had actually begun, but as soon as trouble threatened. In the course of the next year the committee thus constituted was able to demonstrate to the public the practical character of the organization it represented by helping to avert or to settle several industrial disputes of an important kind, one being the Steel Strike. Hence, when a third conference met at New York, in 1901, it was able to command the respect, and secure the active co-operation, of the leading men of the country; and some forty of those who took part in its proceedings have formed themselves into an Industrial Committee, which is prepared to carry on the work inaugurated by the committee of twelve. In the present volume, then, are published nineteen speeches, delivered at the Conference of 1901, by prominent representatives of the three "interests" which are concerned in all industrial disputes, namely, Capital, Labour, and the Public, and fifteen essays read by various experts at the previous conference of 1900. These expressions of opinion, taken together, constitute a veritable mine of useful hints alike for the student of Economics, for the social reformer, and for the man of affairs.

American experience of joint agreements and of conciliation on a

large scale would seem to have hitherto lagged somewhat behind that of England, where, from about 1860 onwards, perhaps owing to the efforts of Mr. Mundella more than to those of any other one man, voluntary conciliation and arbitration have been coming more and more into fashion, and have more and more completely justified themselves by their fruits. One or two States in America have appointed Boards of Mediation with certain powers of compulsion. On the whole, however, the feeling in America, as here, would seem to be that legislative action to secure the prevention and settlement of trade disputes is foredoomed to failure, and that by the voluntary system only can the contending parties be induced to adopt the right moral attitude towards one another; and, after all, moral attitude in these matters is next door to everything. It ought, in a way, to be easier in America for Capital and Labour to come to understand one another's aims and difficulties, seeing that class-distinctions are not so rigid there as here, and that presumably the American capitalist does not, like his English brother, have to repress a tendency to think of himself as the "master" of his "men," who, therefore, possesses as such the inalienable right of "doing what he wills with his own." On the other hand, it remains to be seen whether conciliation and the American system of gigantic "trusts" are compatible, this being a problem on which, unfortunately, the discussions contained in the present volume shed but little light. Of course it actually favours conciliation that the manufacturers interested in a trade should so combine together as to present a joint front to the demands of the representatives of their employees; for, if a highly organized body like a trade union comes into contact with an unorganized mass, the temptation becomes enormous to make use of such weapons as the sympathetic strike and boycott. On the other hand, suppose a whole industry be brought under one trust, it would no longer be possible, as one paper in this book points out (p. 164), "to secure a committee of disinterested employers, thoroughly conversant with the industry and identified with it, to act on the board of conciliation or arbitration." For, after all, collective bargaining between Labour and Capital, like any other kind of bargaining, is not a mere tug-of-war in which the victory goes to sheer brute force. Fairmindedness, good sense, and good will, such as are especially called into existence when a number of persons who can call their souls their own meet together round a table, go a long way of themselves to establish matters on a footing satisfactory to all alike. As the secretary of the Hatters' Union said at the Conference of 1901, "We sit down with the employers on terms of equality and talk our troubles over, and if an employer wants to make a

contract for two or three years we will make it, if it is a good one, because we know after we sign that contract we shall have peace in that factory for two or three years; and that is what we want, peace and fraternity and good feeling." That in trade disputes compromise pays, individually and nationally, nobody has ever disputed. But how to produce the *spirit* of compromise, of mutual toleration and friendly give-and-take—that has always been the problem. And this book comes near to solving it.

R. R. MARETT.

MANUALE PRATICO DELLE PRIME CASE OPERAIE A  
RISCATTO ASSICURATIVO. DI DON LUIGI CERUTTI.  
[104 pp. 12mo. Buffetti. Treviso, 1902.]

The name of Don Luigi Cerutti is not likely to be soon forgotten among the working and cultivating classes of Italy and their friends. Vividly realizing, as a parish priest, the necessity of social work as an aid to the performance of pastoral duties, and gifted with a practical spirit which has enabled him successfully to carry through such work in practice, he has probably done more than any other living Italian *paroco* to raise the material well-being, not of his own flock alone, but of the whole labouring population throughout northern Italy. Perceiving betimes the value of Dr. Wollemborg's village banks, he started the first "Catholic" bank, of the same type, in what was then his parish, viz. Gambarare, in 1890. The number of "Catholic" village banks, all moulded on the same model, must now be something like 1200. In 1894 I told him of the excellent results obtained in Germany by viticultural societies, pressing and selling their wine in common. At once he grasped the economic importance of the institution, and promptly acclimatized it in his country. In the same manner he has led the way in the adoption of every new co-operative practice which experience had proved sound elsewhere.

Some years ago, from the agricultural parish of Gambarare, he was removed to the pronouncedly industrial one of Murano, being presented to the living. The industrial labourers—mainly glassworkers—in his new parish, needed aids to thrift and channels of credit. They were made to pay at the rate of 50 per cent. per week for small loans, and spent their wages almost as fast as they received them. The problem was how to establish co-operative credit among so unsettled a population. Don Cerutti solved the difficulty by making saving compulsory as a condition of membership, and offering credit, at the council's discretion, on the ground of, but in excess of, accumulated deposits—say 100 lire on an account of 60 lire, 150 lire in respect of 100 lire, and

so on. The plan has long been found to be a good one in Switzerland, where similar societies are not uncommon. He could not persuade more than twelve men, out of forty who attended his first meeting, actually to join, in 1898, paying in their 81 lire collectively. On August 31st last, the number stood at 266; there was 29,876 lire held on savings account (independently of other deposits); and in the 4½ years in all 112,950·50 lire had been lent out without so much as a centesimo of loss. The trouble was that more money came in than the Council knew what to do with. Early in 1900 the excess deposits amounted to 12,000 lire.

At Don Cerutti's suggestion the Council decided to employ that money—and further sums that might come in—in the building of working men's dwellings. Clean, healthy, cheerful dwellings were very much wanted. On inquiry, Commendatore Luzzatti had just found that out of 105 parishes which he had questioned, no less than 93 owned to a very great and urgent need. The difficulty was that, in a population like that of Murano, the security both to the investing institution and to the family of the purchasing tenant must necessarily be questionable. Adopting a practice which has become common, with excellent results, in Belgium, as applying to the National Savings Bank, Don Cerutti forestalled Comm. Luzzatti and the Italian Parliament by coupling life insurance with sale by terminable annuity. The tenant is offered the opportunity of insuring his life, and so securing the vendor and his family in the possession of their home in the event of his death. Just as in Belgium, it was found that a very small addition to the moderate rent taken will suffice to effect such insurance. Thus a dwelling which will in the market fetch 22 to 25 lire per month rent (without sinking fund for gradual purchase) is let by the co-operative society at only 20·99 lire per month, including sinking fund and insurance. Obviously here is a method most beneficial to the working classes. The co-operative bank of Murano has thus far built—and let—only sixteen dwellings of this sort, of three types, graduated in respect of accommodation, so as to meet the several requirements of the better-to-do and necessitous. But every tenement is well-built, clean, cheerful, with a little garden attached to it. No doubt there will be plenty more constructed in the near future.

The object of the little book here reviewed is to tell the history of bank and building society in few words, and explain the *modus operandi* adopted. As Don Cerutti is careful to explain, *any* society having spare funds in hand, no matter whether it be a bank, or a distributive society, or a friendly society, may engage in the building operations here set forth, to the advantage of the working classes, and may

probably obtain preferential terms for insurance in respect of its collective custom. His exhortation should not be lost upon this country, in which the need of working men's dwellings is notoriously great. And seeing that our Treasury has deliberately closed its ears to the instructive teaching of the Belgian savings bank in respect of the employment of savings bank money for housing purposes, it is all the more desirable that non-official bodies, such as co-operative and friendly societies, should take up the beneficent work of which Don Cerutti has set them a humble but decidedly encouraging example.

HENRY W. WOLFF.

PRINCIPLES OF WESTERN CIVILIZATION. By BENJAMIN KIDD. [518 pp. 8vo. 15s. Macmillan. London, 1902.]

Mr. Kidd, having in his first work discussed the forces which, as it seemed to him, lie behind and dominate all the forms of progress in society, has in this volume put before us what he conceives to be the proper character of the advance of civilization. As in his first volume he drew the sharpest distinction between what he calls the rational and the religious motive in the life of society, so now he draws the sharpest distinction between the end of the State, looked at as a self-sufficient and self-regarding entity, and the end of society as a whole; between the efficiency of the machinery of a nation, looked at as one among many competitors, and the general progress of mankind.

Enough was said in criticism of the nature of the distinction which Mr. Kidd drew between the rational and the religious motives in life. Perhaps Mr. Kidd himself would scarcely deny that his terminology was somewhat arbitrary, while on the other hand most of those who reflect seriously upon the nature of society would admit the importance of the distinction which he endeavoured to draw.

We must consider how far the distinction, which Mr. Kidd is now attempting to make, is one of real validity and genuine significance in the study of the ends which determine the true progress of mankind. Since Mr. Kidd wrote his first volume, he has given a much more sustained attention to the historical side of his subject. It would still be easy to criticize many of Mr. Kidd's statements as to the characteristic quality of the social ideas of former times. It could be pointed out that his interpretation of the Platonic conception of the State is not only incorrect, but sometimes seems to miss the very point at which Plato is driving, and that even with regard to Aristotle there are in his work many serious misconceptions. It would be easy, also, to point out similar misconceptions with regard to the position of the Roman jurists and the eighteenth-century

writers, and especially the grave, but in England common, misconception of the nature of Rousseau's theory of the general will.

But I doubt whether there is any practical profit in such criticism. I think it is better worth while to consider how far Mr. Kidd, in spite of some occasional mistakes as to individual theorists, has expressed a true and fruitful judgment with regard to the character of the broad outlines of the progress in men's conception of the nature and end of society.

Mr. Kidd's main object in this volume is, as I understand it, to draw out the importance of the distinction between the organization of society as directed to securing the interests of those who may at any given moment be organized in one State, and the organization of society as directed towards the interest of mankind as a whole and in the future. Mr. Kidd quotes a phrase of Burke, in which he describes the true character of the State as "a partnership not only between those who are living, but between those who are living, and those who are dead, and those who are to be born" (p. 118), and we may regard his work as being substantially a comment on these words. He denies that a utilitarian and self-interested principle can be the foundation of the theory of the State.

Mr. Kidd draws out at length what seems to him to be the history of the gradual development of the opposite principle in society. He treats the appearance of the conception of the equality of human nature, and its confirmation by Christianity, as constituting the first great attempt to break with a theory of society which looked upon the interest of a definite State as the supreme principle. He then discusses the great struggle between the Church and the State in the Middle Ages as another phase in the effort to secure the recognition of the paramount nature of obligations which lie outside the sphere of the interests of the State; and again, he looks upon the revolt of the present day against the radical utilitarianism of the early nineteenth century as being the present form of the same effort to emancipate the principles of political life from the domination of a self-interested attention to the present.

In all this Mr. Kidd represents an emphatic assertion of the principle that the end of society is not the interest of the individuals who compose it at any given moment, but that this is determined by some conception of an ideal progress to which the momentary well-being of the individual is wholly subordinated. I think that, in bringing this conception so emphatically before us, Mr. Kidd renders a real service to the development of a just conception of the meaning of social life, which is of extreme importance at the present time.

At the same time it seems to me that Mr. Kidd does not sufficiently realize that this is, after all, the same conception which was the foundation of ancient political theory. The ancients very clearly maintained that the end of the State was not advantage, but justice. From Plato to Cicero the vindication of the principle of justice as expressing the end of the State was the real business of those political theorists who maintained that justice was something apart from the mere interest of the individual. It may be partly true that the earlier writers do not look outside the single State, and that the theory of the inequality of human nature confused their judgment with regard to the ultimate meaning of political justice; but it is certain that the Stoic political theorists had emancipated themselves from this limitation, and in recognizing the fundamental equality of human nature, recognized also that the particular State was only a fragment of the universal commonwealth of mankind. He is, no doubt, right in thinking that this conception was worked out under the guidance of Christianity, and that the idea of the superiority of the spiritual interest over the temporal tended continually to emancipate men from the follies of a utilitarian conception of society. He is right, too, in recognizing the vindication of this principle in the great struggle of the Mediæval Church against the State. But he does greatly exaggerate the opposition between this conception of society and that of the ancient political philosophers.

The truth is that his work is a polemic, and a just polemic, against the conception of the State which was developed by Hobbes, and which lies behind the Austinian conception of sovereignty. But he has failed to recognize that this is the real significance of Rousseau's theory of the social contract, which finds its complete form in the conception of the sovereignty of the general will. No doubt Rousseau's language is obscure, and his terminology somewhat arbitrary, and it is little wonder that Mr. Kidd has been misled by the common misconception of Rousseau's meaning. In reality, Mr. Kidd is trying over again to reassert the same principle as Rousseau, that the sovereignty of the State is ultimately conditioned by that ideal end which we may call justice. But in doing this, Mr. Kidd is rendering a real service to the progress of sane political thinking, for the greatest danger of the democratic organization of society lies in its tendency to set the good of the majority in the place of the good of the whole.

A. J. CARLYLE.

**MONEY AND BANKING ILLUSTRATED BY AMERICAN HISTORY.** Second Edition, revised and continued to the Year 1902. By HORACE WHITE. [474 pp. 8vo. Ginn. Boston, 1902.]

When the first edition of Mr. White's *Money and Banking* was published, in 1896, bimetallism was still a living issue, both in the United States and in this country. The six years that have intervened between the two editions have seen it pass very completely out of the arena of public thought. One seldom comes across any reference to it nowadays in England, in any newspaper or magazine. Our interest in it, indeed, was mainly connected with the fluctuations of the rupee, and since 1898, when these fluctuations were brought to a definite termination, people have begun to forget that the agitation ever existed. Silver has of late fallen below 23*d.* per ounce, and is making records for cheapness every week, while none but the dealers in the metal give a thought to the subject. Yet it is a historical fact that, so late as 1897, the Salisbury Government had actually committed themselves for a time to the French and American project for raising it to double its present price. So rapidly has opinion changed that that fact seems very nearly unthinkable now. The change of opinion in the United States, where the disease was more acute than it was with us, has been even more conspicuous. The Gold Standard Act of 1900, as Mr. White remarks (Pref., p. iii.), "is no longer called in question except by those who think that it falls somewhat short of its declared aims." Those therefore who, like Mr. White, have from the first been the strenuous champions of sound money, can now with justice congratulate themselves on having put their money on the right horse.

In accordance with these altered conditions Mr. White has, to some extent, altered the plan of his work. It is, indeed, practically rewritten, controversial matter that the author regards as having become obsolete being expunged, and the historical and statistical matter being brought up to date. Among the controversial matter that has been expunged was some that, I think, might well have been retained. One misses, for example, the short and incisive refutation of the quantity theory of money, which was comprised in the seventeenth chapter of the first edition. Much, however, that is new had to be made room for, if the work was not to be greatly increased in volume. Mr. White has also, in the present edition, aimed specially at adapting his book for use in the class-room, and, with this object in view, a brief recapitulation and a list of authorities has been added at the end of each chapter. The historical matter is, of course, as the title of the work imports, very largely American; and in America, at

any rate, the book has already taken its place as the classical authority on the subject.

The whole work is divided into three books, the first being entitled "The Evolution of Money," the second "Government Paper Money," and the third "Banking." These subjects, however, of course cannot be kept rigidly separate; to some extent they inevitably overlap. The first book contains some chapters that are mainly theoretical and others that are exclusively historical. The last two, those on the Latin Monetary Union—based on Professor Willis's book recently reviewed in these columns—and on the International Monetary Conference, trace the *débâcle* of bimetallism from the first indications of the fall in silver down to the failure of the Wolcott Commission in 1897.

In the chapters on "Legal Tender," and on "The Gold Standard," Mr. White cites and endorses the views of the present writer in regard to the unconscious character of the transition from silver to gold in England (p. 63), as also in regard to the function exercised by gold as a latent standard for a long period before it became the official one (p. 32).<sup>1</sup>

Amid so much that is important and interesting in the volume it is not easy to select what most deserves notice. The social aspect of the currency question is one to which Mr. White is very much alive, and that, no doubt, is the aspect which will most commend itself to the readers of the *Economic Review*. We certainly pass out of the region of dry theory and into that of living interests when we come to the consideration of the effect produced on the purchasing power of wages by the issues of greenbacks during the Civil War. "One of the reasons," says Mr. White (p. 146), "advanced by Senator Fessenden for opposing the legal-tender clause was that the loss would fall most heavily on the poor. All tricks of legerdemain with the currency bear most heavily on the poor. Take a concrete case. The Government wanted guns. It paid for them with legal tender notes. The manufacturer must pay them to his workmen, who must buy their supplies of all kinds of commodities in a rising market. The cost of living not merely followed the gold premium, but generally kept above it. The dealers in commodities advanced their prices faster and farther than gold advanced, in order to insure themselves against loss by rapid fluctuations."

The soldier's pay at the outbreak of the war was 13 dollars per month, but in 1863, owing to the depreciation of the currency, this 13 dollars would only purchase about 8 dollars' worth of the necessities of life. In 1864 the pay was raised to 16 dollars, but the

<sup>1</sup> See *The Evolution of Modern Money*, chs. i. and iii., part i.

purchasing power over necessities of that larger sum was only 6½ dollars. The same was true in a general way of the wages of all the working classes, and it needs little imagination to picture to ourselves the hardship and distress among the families of the poor which such figures implied.

In connection with the issues of "bills of credit," during the Colonial period, and their depreciation, Mr. White points out how disastrous were their effects on the character of the community. As these bills were legal tender, and all loans were repayable in them, "the accumulations of age and the inheritance of orphans dwindled. . . . Trustees and executors who had money in their hands which belonged to other people, and who saw how things were going, often postponed payment on frivolous pretexts, since each delay enabled them to settle their accounts with less value, thus 'devouring widows' houses'" (p. 110). With regard to the similar effects produced by the "bills of credit" subsequently issued by the Revolutionary Government, Mr. White picturesquely observes, "Turmoil was everywhere. Society was like a train of Eskimo dogs when the driver hits with the whip the leader, which turns and falls upon the dog behind him, and presently the whole pack are piled together in battle, not one knowing what it is all about."

Referring to the earlier period, it is interesting to note that Mr. White does ample justice to the attitude of the mother country in regard to these "bills of credit," and condemns the Colonial animosity that was aroused in consequence. "Acting under the instructions of the Lords of Trade," he says, "they (the governors) repeatedly vetoed the paper money bills. Then the legislatures refused to provide for the support of the local governments. They stopped the salaries of the governors, and allowed the public buildings and barracks to go to decay. This source of irritation against the mother country has been grossly neglected by historians in general, but not by Mr. Felt, the historian of the Massachusetts currency, who assigns it its proper place among the causes which led to the separation."<sup>1</sup>

In the earlier part of the nineteenth century the United States went through an epidemic of bad banking, resulting in abundant issues of depreciated and sometimes altogether worthless paper. Then again the poor and helpless had to bear the brunt of the trouble. "As the activities of banking at that time," Mr. White remarks, "took the form of note issues rather than of deposits, the losses resulting from

<sup>1</sup> Cf. also Professor Bullock's *Monetary History of the United States*, pp. 44, 45, 58, 59.

bank failures were widely diffused. They fell upon the whole community, but especially upon farmers, mechanics, wage earners, washerwomen, and other poor people, who did not have bank accounts, but into whose pockets the worthless notes had found their way" (p. 347). When the Towanda Bank in Philadelphia came down, "Hundreds of poor labourers," said a writer in the *Public Ledger*, "were to be seen running in every direction with their hands full of the trash, and not able to induce a broker to give a sixpence on the dollar for them. We passed in the market a woman who makes her living by selling butter, eggs, and vegetables, who had almost all she was worth, about \$17, in Towanda banknotes. When apprised that it was worthless, she sank down in agony upon her stool, and wept like a child" (p. 348).

Yet the strange thing is that these banks, like the Revolutionary and Colonial "bills of credit," and like the greenbacks and free silver projects of recent times, were all of them always high in favour with the popular party. They were all supposed to "make money plentiful." Inconvertible paper, indeed, would be issued in Australia to-morrow if the Labour party there had their way. It is very remarkable how frequently the favourite policy of the democracy is that which is plainly disastrous to its own interests.

WILLIAM WARRAND CARLILE.

L'ACTION SOCIALE PAR L'INITIATIVE PRIVÉE. Troisième Série. Par Eugène Rostand, Membre de l'Institut. [736 pp. 8vo. 15 frs. Guillaumin. Paris, 1902.]

M. Rostand, who is not only gifted with the pen of the ready writer, as well as the tongue of the ready speaker, but has also succeeded in securing in a pre-eminent degree the attentive ear of the French public, discharges in State-ridden France—*une nation d'administrés*, as a living French statesman has called it—a most useful function in preaching, strenuously and persistently, among the wise of learned societies, as well as among the crowds which gather in public meetings, against the evils of State interference. No occasion comes amiss to him. Be it a question of labour legislation, of co-operation, of prevention of tuberculosis, of old-age pensions, of "unemployment" (as it has come to be called), of alcoholism, or of savings banks, he is there, at his coign of vantage of much accumulated knowledge, to take up his parable, and, to use a vulgar expression, to "rub it in" to his countrymen with an importunity and perseverance which ought, one would think, in the end to do at any rate some good.

The present volume is a collection of addresses and articles delivered

and penned since 1897, when the second volume of this series was issued. There have been a good many Congresses since, at which M. Rostand has been active. And there have been fresh questions of legislation, newly proposed, or else just coming into force, all of them affecting social topics. In this way ample scope has been given to M. Rostand's active mind to exercise its power of criticism. In addition, he has visited Austria-Hungary and Denmark, and not the least interesting portion of his new book are the chapters devoted to a description of the social-economic institutions of those two countries. Denmark is the country of fully developed popular thrift, bracketed in this respect only with Saxony. And the action of its absolutely unshackled savings banks, to be here contrasted with the State-controlled savings banks of France (in which there has of late been a really alarming withdrawal of deposits) supplies our author, the president of one of the largest and most active French savings banks, with a text for driving home his favourite lesson. Austria-Hungary is the country in which savings banks have added substantially to their utility by becoming genuine popular banks, for purposes of credit, as well as for other business. It is instructive to have all these matters explained by so competent a teacher. Another interesting portion of the book is that in which the author tells the tale, year by year, of the action and growth of his own savings bank, at Marseilles, supplemented by a review of "facilities" ingeniously given elsewhere in France for the attraction of poor men's savings.

The housing question is another matter in which M. Rostand takes a warm interest; and his various papers dealing with this subject probably supply the best account accessible of the present position of the housing movement in France. It is gratifying to find a prominent man with such power of advocacy earnestly pleading in France against the all too rapidly growing evils of alcoholism, and the decline of respect for religion and for freedom of association. The remedies which he suggests under the first head seem, indeed, just a little artificial and far-fetched. Evidently it is likely to take some time before Frenchmen really learn how to grapple with dipsomania, as we, fortunately, have learned to do, at any rate to some extent. M. Rostand also deals with great frankness with the question of the continuous decrease of population in his country, distinctly scoring in this respect against M. Paul Leroy Beaulieu and other optimists, who are pleased to explain contraction of population as a sign of civilization carried to its highest point. M. Rostand is too sensible to share this rosy view. However, things must have come to rather a bad pass when he finds himself driven to urge his countrymen not to despise the increase of population to be

obtained by foreign immigration. Another subject with which our author deals at considerable length and with evident familiarity, though without arriving at any satisfactory conclusion, is that of insurance against involuntary want of employment.

Apart from the chapters on Denmark and Austria-Hungary, this volume will be welcome more particularly to those who desire to familiarize themselves with the present current of thought on such questions as those referred to now prevailing in France. For such inquiry they could not have a better guide.

HENRY W. WOLFF.

### THE POLITICAL REORGANIZATION OF THE PEOPLE.

By WILLIAM SANDERS. [135 pp. Crown 8vo. 1s. 6d. net. Sonnenschein. London, 1902.]

"The chief object of the following pages," says the writer in his preface, "is to indicate some of the difficulties and problems which will have to be overcome before the advocates of the movement for the establishment of a third political group [viz. an independent Labour party] can attain their end. The point of view adopted is that of a collectivist and democrat whose enthusiasm has been tempered by an intimate and practical experience of the work of political organization among the working classes." The psychological moment, it is urged, has arrived when the attempt "to form a third political party from among the masses of England" is at length destined to succeed. The Liberal party is described as disunited, feeble, and futile, without principles, or programme, or leaders of strong personality. Next follows an account of Chartism, and an analysis of the causes which brought that movement to premature disaster, chief amongst them being the dissensions amongst the leaders, due to "ambition, ignorance, conceit, and envy; the inability to take a broad, statesmanlike view of affairs; the desire of each man to push his personal fad, entirely regardless of its effect upon the general support." Further object-lessons, yielding much the same moral, are drawn from the history of certain more recent organizations—in particular, the Social Democratic Federation. But these, argues Mr. Sanders, are the *Kinderkrankheiten* from which new movements of the "advanced" order are bound to suffer—growing pains, in fact, as contrasted with those pangs of dissolution which mark the senile decay of Liberalism.

Confident, then, that Social Democracy has at length learnt, from its misfortunes in the past, the lesson that unity is strength, our author proceeds to outline a programme and a policy for the new party that is to push its principles in Parliament. The programme

contains nothing very startling. The nationalization of railways, canals, and mines ; the municipalization of "all local enterprises which serve universal needs," and the granting of powers to municipalities so that they may deal with the housing of the poor, the drink traffic, and so forth ; the abolition of child-labour and the half-time system ; a scheme of national education that secures higher-grade instruction for those that are fit for it ; Poor Law reform and Old Age Pensions—such are the principal items in the way of home politics. Foreign politics, on the other hand, are to consist, not in Little Englandism, but in "a democratic federation of the Empire." The rest of the book is occupied with the question of policy. The trade unions and co-operative societies must perforce constitute the financial backbone of the new movement. But they must not seek to promote sectional interests at the expense of general progress. Shorter hours and higher wages may be the ideal of trade unionism, but the collectivist "has an end in view far beyond" these things. Nor, again, must they expect their representatives to act as mere delegates. And, once more, they must put aside "the prejudice against 'paid agitators' and 'professional politicians,' which exists as strongly among the working class as in any other." Thus, and thus only, can the masses render effective that belief of theirs which is "undeniably true," namely, "that they alone can work out their political and social salvation."

So far Mr. Sanders, with whose vigorous and withal sane and temperate utterances the critic of Liberal leanings will not feel himself called upon to quarrel very bitterly, even if, from a party point of view, he rejects, or, it may be, actively resents, the proposed "secession of the plebs." We meet here with no vapourings about "social revolutions" and so on. The Marxism of the eighties has given way to a far more sober and statesmanlike theory of socialistic reform. The German doctrine of the class war, perhaps because it is perceived to be intrinsically unsound and anti-political, or perhaps because the working classes of England have by this time shown pretty clearly that they will have nothing to do with it, is definitely dropped. At most the spirit of the Social Democratic Federation survives in an occasional phrase, *e.g.* "middle-class socialists of the Fabian School" (p. 55). Or again, the class point of view is, if not transcended, at any rate enlarged, in so far as not merely England but the Empire is contemplated as the area to be socialized by the efforts of the new party. But why take no interest in educating our race so that it may hold its own in that struggle for existence which conditions, if it does not of itself explain, the struggle for perfection? Why write haughtily as follows: "It can be safely left to the ordinary politician to look

after the industrial and commercial side of educational work" (p. 82)? An education that is before all things ethical need not on that account be uneconomic or anti-economic. Or, if the notion be that simply by the inculcation of high ideals the competitive spirit is to be replaced by a co-operative spirit of equal or greater effectiveness as judged by the test of economic survival, then perhaps it will not be out of place to suggest that the word "pleasure" be no longer put in the forefront of the democratic analysis of the elements of welfare. "Leisure, pleasure, and treasure" for all, even "work and pleasure" for all, has an ominous smack of banalistic materialism about it, which it ought to be the first duty of a higher education to correct. Carlyle said that Chartism was a knife-and-fork question to most of those who enrolled themselves under its banner. It is natural, perhaps, that a knife-and-fork agitation and a creature-comforts philosophy should go together. But Social Democracy must profess a nobler creed if it is to secure the active sympathy of thinking men.

R. R. MARETT.

**THE GOSPEL OF WORK.** Four Lectures on Christian Ethics. By W. CUNNINGHAM, D.D., Fellow of Trinity College, and Vicar of Great St. Mary's, Cambridge. [xiv., 144 pp. Crown 8vo. 2s. net. University Press. Cambridge, 1902.]

In these lectures, delivered at Cambridge to extension students, Dr. Cunningham has, perhaps, over-elaborated a somewhat commonplace theme. He lends to it, however, a certain distinction by interesting and apposite quotations from the writings of various Cambridge theologians, some of whom will probably be quite unfamiliar to Dr. Cunningham's readers. The thought that all worthy human work is a form of co-operation with God is the main subject of the first lecture. Christianity "teaches us to recognize that we may be His fellow-workers. It assures us that this high dignity is not merely reserved for kings and prophets whom He specially chose to be His servants, but that all men are called in their several vocations and ministries to co-operate with God."

On "the duty of diligence" Dr. Cunningham has little new to say, but the passages he quotes, especially those from Barrow's discourses *Of Industry*, are admirably to the point. He makes some interesting remarks on the tendency of "Humanism" to make its votaries egoistic and self-centred. "He that lives for his own self-development and loveth his life shall lose it. It is in accepting the ties that bind us to other men, and submitting to these limitations, that we can realize our true selves. It is well that each should learn to look upon himself as

a bit of God's world, as bound to his fellow-men, and as called upon to take up his share in the burden and drudgery of the life of mankind."

The third lecture is, perhaps, overloaded with quotations, but we may well be grateful for the beautiful passage from Bishop Patrick's *Works* on the effects of prayer. Dr. Cunningham well says that "devout working is the carrying of a prayerful attitude into all the ordinary activities and relations of life." The fourth lecture, on "The Appreciation of Work," is in several points suggestive, as, for instance, when Dr. Cunningham observes that a good criterion of beneficence is the extent to which it calls forth effort; or when he hints that suffering, as well as action, has its significance as an agent in the heightening of the influence exercised by character. In the "conclusion" some discerning criticism of the Cambridge Platonists finds an appropriate place.

In one of the three sermons printed as an appendix—that on "The Consecration of Secular Life"—Dr. Cunningham touches on a point which is more fully developed in Professor Peabody's *Jesus Christ and the Social Question*; namely, the economic and social importance of good and conscientious administration of a man's personal business. He reminds us of the example of Bishop Grooseteste, as illustrating "the influence of the household as a school of life and discipline in manners."

The book is, as might be expected, carefully printed and attractive in form. At a time when the love of pleasure is extraordinarily strong, and threatens to be socially injurious, Dr. Cunningham's plea for Christian conscientiousness in regard to the duty of work, is specially welcome.

R. L. OTTLEY.

F. W. RAIFFEISEN IN SEINEM LEBEN, DENKEN UND WIRKEN. VON PROFESSOR DR. MARTIN FASSBENDER. [285 pp. 8vo. Parey. Berlin, 1902.]

The Raiffeisen system of co-operation has become so well known in this country that a monograph entering into its principle and details from the pen of one who was for many years a trusted fellow-worker of its author will be sure to command interest among some of our people. In Ireland, as a co-operative system, the Raiffeisen system "holds the field." And if it has not yet taken more of a foothold on this side of St. George's Channel, foreign experience, if studied, must convince us that the loss is ours. Elsewhere, not only has it pushed its way, as a remarkably fructifying power, into every civilized country, but, adapting itself to new wants and new surroundings, it

has become the *magna parens* of two other cognate co-operative systems, which do, at any rate, some good in a very wide sphere. Nearly all co-operation now practised in connexion with agriculture and all "catholic" co-operation have sprung from Raiffeisenism.

The object with which Professor Fassbender's book was written is, in the main, inoffensively polemical. It shows how much we have advanced in co-operative controversy, that he can plead with so little betrayal of hostile feeling towards rival organizations with which not long ago feud was bitter. In this respect his book really makes for peace. On the other hand, he considers himself called upon to vindicate certain changes which he and his colleagues now at the head of the Raiffeisen Union have found it desirable to make in the organization of that body. On this ground he will have the sympathy of every British co-operator. Not only were the changes adopted—from overcentralization to organization in sections, and from co-operative trading through a non-co-operative "firm" to organization on carefully co-operative lines—desirable, but earlier refusal to adopt them had really strained organization within the Union almost to snapping-point, and alienated friends of long standing. The lead in this kind of co-operation appeared to be actually passing to a rival union, far less rigid in principle, but more worldly wise. The main thing in the Raiffeisen system is, after all, as I have explained in this *Review*, the principle, the spirit which prompts neighbours to help one another to help themselves, rich and poor alike. So long as this is maintained, and education and the moral raising of the labouring classes are kept well in view, a change here and there in external organization, to suit circumstances, is of little consequence.

In writing his apologia, Professor Fassbender gives a very detailed account of the development of the agricultural-co-operative movement in Germany from its earliest beginnings, and also a rather full biographical notice of F. W. Raiffeisen. The former is likely to interest students of co-operation in Great Britain.

It deserves, perhaps, to be mentioned that Dr. Fassbender's professorial chair is one of the two (I think) established in Germany devoted to Co-operation as a special subject. It was, I believe, Prince Wied, always a warm patron to the Raiffeisen movement, who used his influence, when he was appointed President of the Prussian Upper Chamber, to obtain from the Government the creation of this particular chair, at the Agricultural College of Poppelsdorf, attached to the University of Bonn, and likewise the choice, for its first occupation, of a co-operator of the strict Neuwied school.

HENRY W. WOLFF.

## SHORT NOTICES.

**PROBLEMS OF MODERN INDUSTRY.** By SIDNEY and BEATRICE WEBB. [xxxii., 286 pp. 8vo. 5s. net. Longmans, London, 1902.]

Mr. and Mrs. Sidney Webb have performed a public service in reissuing their books in a cheaper form. In each case we are provided with a new Introduction, dealing with salient features of the more recent industrial developments, and on this occasion we have a discussion of the growth and effects of American Trusts.

The Trusts, we are told, have demonstrated the fact that "hired men," as distinct from "profit-makers," form at least three-fourths of the population in England and the United States, and that about nine-tenths of all realized property belongs to a small class consisting of only one-tenth of the population. Nevertheless our authors are prepared to justify Trusts as representing a real improvement in industrial organization. Under the Trust system, as they believe, competent men will get on all right, and will be adequately paid for their services; while the great mass of wage-earners may strengthen and improve their position by means of the "Policy of the National Minimum," i.e. by the legal establishment of a minimum standard of wages, leisure, sanitation, and education for the whole nation.

Among the subjects included in this volume are Women's Wages, the Regulation of the Hours of Labour, the Sweating System, Poor Law Reform, Socialism, etc.

**THE ENGLISH POOR LAWS: Their History, Principles, and Administration.** By SOPHIA LONSDALE. Third Edition, revised and enlarged. [viii., 89 pp. Crown 8vo. 1s. net. King. Westminster, 1902.]

Miss Lonsdale has been content to give an outline of a large subject, but it is hardly fair to describe it as a "bare outline." On the contrary, these three lectures teem with facts, clearly and forcibly stated; the tendency to run into statistics is wisely repressed, and the few figures that are given are presented in the most telling way.

The first lecture is mainly historical. The second deals with the disastrous results of poor-law legislation under George III., and with the Report of the Commission of 1832-1834. The last lecture is the longest, and is devoted to a description of the actual working of the Poor Law Act of 1834. It is to some extent a criticism of existing

methods and ideas, and Miss Lonsdale has evidently come to the conclusion that the problem of dealing with destitution is a problem chiefly of administration. In her opinion the "increase of pauperism in London [since 1893] is greatly due to the reckless administration in some six or eight only of the twenty-nine Metropolitan Unions."

**THE ECONOMIC INTERPRETATION OF HISTORY.** By EDWIN R. A. SELIGMAN, Professor of Political Economy and Finance in Columbia University. [166 pp. Crown 8vo. 6s. 6d. net. Macmillan. New York, 1902.]

About half of this volume is occupied with a kind of bibliography of the works of Karl Marx and his followers, with a liberal interspersion of quotations. The remainder of the book discusses in a loose and general way the various points of view from which history may be regarded. But the discussion is so vague and superficial that it seems almost worthless. The author apparently concludes that the economic standing point is *par excellence* the point of view from which history should be studied, because the existence of man depends upon his ability to feed himself. But he never examines the assumption that, because an element in a whole is a *sine quâ non*, it is therefore the basis of all the other elements. Economic considerations, no doubt, play an important part in history, but the value of the economic point of view must depend upon how much it helps us to interpret. Professor Seligman has not in these essays made a serious attempt to leave the nebulous region of generalities, and substantiate his theory by applying it to facts.

**ELEMENTS OF STATISTICS.** By ARTHUR L. BOWLEY, M.A., F.S.S., Lecturer in Statistics at the London School of Economics and Political Science. [336 pp. 8vo. 10s. 6d. net. King. London, 1902.]

It is a welcome fact that Mr. Bowley has been encouraged to publish a second and revised edition of his excellent work within two years from its first appearance. A few additions have been made in the way of notes and explanations to meet the views of friendly critics, but otherwise the present edition is substantially the same as the original.

## RURAL ENGLAND.<sup>1</sup>

**M**R. RIDER HAGGARD has made an important contribution to English economic literature. The work before us embodies the results of a tour through no fewer than twenty-seven counties as well as the Channel Islands. We have the writer's own impressions, and very valuable they are; we have the gist of hundreds of communications with men interested in every side of the land question—landlords, tenants, labourers, agents, dealers, and the like; and, lastly, we have the conclusions which his varied information suggests.

There are not wanting precedents for such a work. Arthur Young, in the eighteenth century, travelled through France, England, and Ireland, and wrote in the same spirit. Cobbett rode here and there, up and down the country, scattering his opinions broadcast, and finding them confirmed wherever he went. But Young is always preaching; Cobbett is always ranting. Young wrote no style in particular; Cobbett had a surprising mastery of pure racy English. While Young criticized governments and systems in the light of their influence upon farming, Cobbett saw Jews, and Greek loans, and "the wen," and paper money behind every hedge. It is needless to say that Mr. Rider Haggard escapes both these faults. Readers of his romances know that he possesses a vivid imagination, and those who have been fortunate enough to come across his *Farmer's Year* know that he can apply his imaginative gifts to the humdrum details of daily life in the country in such a way as to make them humorous and engrossing. The work before us shows us the same gifts employed in a wider field. He is

<sup>1</sup> *Rural England. An Account of Social Researches carried out in the Years 1901, 1902. By H. RIDER HAGGARD. [2 vols., with 23 maps, and 75 illustrations. xix., 1207 pp. 8vo. 36s. net. Longmans. London, 1902.]*

conscious of the difficulties of his task. The worker in this field, he says, must be of a sound constitution, a ready and appreciative listener, able to weigh and sift evidence, and capable of assimilating detail; he must have a knowledge of agriculture; he must often "eat, drink, argue, listen and store his memory all at once—a task which might well puzzle a chief justice."

Again, as an admirer of all that is beautiful in landscape, our author rises above both his predecessors. Young is utilitarian to a fault; Cobbett was a greater lover of the picturesque than he cared to admit; but Mr. Rider Haggard is never more at home than in describing fine scenery. It does not, perhaps, need a very highly trained imagination to appreciate the beauties of East Sussex (vol. i., p. 115), of Great Rollright (ii. 115), and of Edgehill (ii. 101); but how thoroughly he has caught the charm of Dengie Flats;<sup>1</sup> of the approach to Boston (ii. 198); and even of Leicestershire (ii. 263). Like Tennyson's hero, "he brought an eye for all he saw."

Humorous turns are not wanting. How slyly the description of the valley of the Ouse leads up to the revolting details of poultry cramming! Or take, again, the small-holder in Worcestershire who made his land pay by the breeding of high-class bull-dogs! And Herodotus himself might envy the aphorism that "every man believes his own particular bull to be rather more harmless than a lamb;" or "the man who is going in always hopes to do better than the man who is going out." Not

<sup>1</sup> "The view from the summit of the earthen bank which keeps out the sea was very desolate and strange. Behind us lay a vast, drear expanse of land won from the ocean in days bygone, bordered on the one side by the Blackwater, and on the other by the Crouch rivers, and saved, none too well, from the mastery of the waves by the sloping earthen bank on which we stood. In front, thousands of acres of grey mud, where grew dull unwholesome-looking grasses. Far, far away on this waste expanse, two tiny moving specks, men engaged in seeking for samphire or some other treasure of the ooze-mud. Then the thin, white lip of the sea, and beyond its sapphire edge in the half-distance, the gaunt skeleton of a long-wrecked ship. To the north, on the horizon a line of trees; to the west, over the great plain, where stood one or two lonely farms, another line of trees. On the distant deep some sails, and in the middle marsh a barge gliding up a hidden creek as though she moved across the solid land. Then, spread like a golden garment over the vast expanses of earth and ocean, the flood of sunshine, and in our ears the rush of the north-west gale and the thrilling song of larks hanging high over the yellow salt-soaked fields" (i. 409).

unworthy of Herodotus, again, is the variety of topics incidentally handled. A description of a decoy in Suffolk (ii. 408); a theory of the origin of cancer (ii. 267), of those curious terraces which are found in Oxfordshire and Cheshire, of the lands tilled in the shape of a recumbent S; points of archæology, of sociology (note especially the contracts as to marriage, ii. 503), and of heraldry;—all these lighten, and most agreeably, the inevitable repetitions. Once I fancied I detected an attempt on his credulity. The old Essex labourer must have repeated the story of his sufferings in the Crimean war till they gained in the telling (i. 458). Surely bread was not then a shilling the quartern loaf.

In a word, *Rural England* is not merely valuable to the student of economic history, it is a delightful addition to the library of any one who has country tastes and country interests. But, before we pass on, there is one omission which has struck me throughout. We look in vain in *Rural England* for any notice of the operation of the poor law. Is this intentional, or are we to understand that the administration of the poor law has ceased to be a factor in country life? It is hardly possible to imagine this to be the case. The poor law has of late, if statistics can be trusted, tended to enlarge its sphere of influence. Certainly medical relief, and to some extent outdoor relief, if it fails to reach the high-water mark of the earlier years of the nineteenth century, is a more widespread phenomenon than it was twenty years ago. May it not be that some of the differences in the habits and character of the labouring class, their readiness to migrate or the reverse, are due to differences of administration in the various unions?

We proceed now to examine Mr. Rider Haggard's conclusions as to the effect of modern development on the three classes interested in the land, endeavouring as far as possible to distinguish economic from political considerations.

I. The Landlord. The general impression that the landlord has suffered at least as much as any of the three classes is borne out by facts and figures. In one county after another we find a fall in rents recorded. In Wiltshire, cases are quoted in which

rents are 75 per cent. lower than they were in 1870; in Essex, 60 per cent. is the estimate of well-informed authorities of the average reduction; in Dorset, 50 per cent. on corn land, 10 per cent. on grass; in Worcestershire, arable land has fallen 30 per cent., grass land 10 per cent.; in Warwickshire, 30 to 20 per cent. is mentioned; in Somerset, 25 per cent. But there is no need to multiply cases; it is a matter of common knowledge that rents have fallen greatly, and more than even these figures show. For in many cases (though careful writers and speakers specify this) land on which twenty years ago the tenant paid the tithe is now let tithe free, and the outlay on buildings which is required of a landlord, whether farm buildings or cottages, is far larger than it was. In the old days when, as Adam Smith would have said, "two men were running after a farm," they were not so exacting as now that two agents are angling for one tenant. In short, it may be said, and it would be difficult to disprove it, that agricultural rent in the strictly economic sense has disappeared in England. The payments made by farmers are no more than interest, and that a low interest, on the capital invested by the owner in his land. The results are obvious to any one who knows the countryside. Very large landowners have held their own, the variety of their property generally securing them some compensation for the fall in the value of their agricultural land, *e.g.* mines or town property, or a rising watering place. The small owners have also doggedly held on, and survive. Our author found no place more prosperous than the Isle of Axholme (always excepting the Channel Islands), where such small owners are the rule; and it may be noted in passing that he explodes some fallacies as to the extent to which land there is mortgaged. But the small landlords, as one witness pithily puts it, "have been squeezed out." The squirearchy of England, the men with properties of from a thousand to three thousand acres, who lived in the Hall (as to the origin of which name we have a useful note), are fast disappearing, and this is the great change of the last half century in the country. Their houses are let, their properties are managed by agents and solicitors, and "their place knows them no more."

It is worth while to reflect for a moment on the meaning of this change. Readers of the novels of the early and middle decades of the nineteenth century will readily recall the social hierarchy. The Duke of Omnium, the Duke of Bellamont, the Marquis of Monmouth, and Lord Steyne were all owners of vast estates. They figured in country society very variously. Some devoted themselves wholly to their county and its affairs; some found the centre of their lives in London, and reproduced in their country houses the frivolities of London society. But they loomed large in the background of country life. Their acquaintance carried with it a mysterious *cachet*. They were a court of final appeal in family quarrels, in disputes as to precedence. Mr. Ticknor notes in his journal that as late as 1838 he found that a public dinner was given periodically by Lord Spencer at Althorp, at which all neighbours were welcome, a privilege rarely abused. And they exercised powers of a very real kind. As late as 1880 a noble duke definitely announced that there should be no contest in the election of members of Parliament in his county, and the revolt against his dictation created general consternation. Down to almost the end of the last century another duke compelled his tenants to pay Church rates in defiance of Acts of Parliament, and, for the better preservation of game, prohibited the owning of a gun over a large area. But the bulk of county business was done by the smaller landowners. They sat at quarter sessions and formed the grand jury, and administered justice, the poor law, and the county rate. Nowadays their place is taken by the county and parish councils.

I am glad to see that Mr. Rider Haggard is convinced that on the whole the landlords discharged, and the survivors still discharge, their duties to their property well. They have met their tenants sometimes a little tardily, but in no niggardly spirit; they have been, so far as their means allowed, wise in their outlay. Here and there, as in hop and fruit districts, we find complaints of a want of fixity of tenure; but, as a general rule, the relations between landlord and tenant are excellent—possibly they have sunk their differences in the face of a common

foe, viz. the fall in prices. The worst feature in the existing state of things is the tendency to let houses and properties for purely sporting purposes. So long as sport was a feature of county life—an adjunct, so to say—it was a bond between landlord and tenant, but the case is different when a sporting landlord comes in. He is in no sense a factor in country life: he fills his house with “outlanders,” who come to shoot his birds; he is indifferent to local society and local opinion; add to this that his keepers are always at daggers drawn with the tenants, and that the casual employment he finds, and the lavish generosity he often shows, and the luxurious standard of living which he sets, are very demoralizing elements in a district. Mr. Rider Haggard is clear in his judgment that the renting or owning of large areas for the purpose of sport is one of the worst uses to which land can be put. The land, he very justly says, should support the men, not the men the land. Is there any remedy for this state of things? On all hands one hears protection suggested. But it is by no means clear that protection would have the results desired, and perhaps one of our author’s correspondents is right when he says that the country will never initiate a protective “policy” for the benefit of a class; if protection comes, it will carry land nationalization with it.

The fact is that two circumstances tell against this particular class. The rise in the standard of living makes it difficult for them to hold their own socially, and the custom of charging properties for the support of the younger members of a family brings about a number of fixed charges which do not fluctuate with prices, and are consequently, at the present time, a larger and larger proportion of the gross income. If to these be added payments for interest on mortgages—and what country squire is ever wholly free from such?—the difficulties of the situation are intensified.

Practically, the landlord is ceasing to exist, and rent is tending more and more to the class of “time categories.” Is this an evil? Economically, no. The fall in prices, which brings it about, makes for the greatest good of the greatest number. Politically, it must be borne in mind that the system of local

government in England has always assumed the existence of this class, and its disappearance cannot but bring far-reaching results in its train.

II. The Tenant. It will come as a surprise to many that, on the whole, the report on the tenants and their position is not unfavourable. Take one county with another, and the average tenant confesses to making a living, and, knowing what farmers are, this is perhaps as much as can be hoped. It must be added that the confession is modified at once by fears for the future. A very small fall in the price of wool would send large numbers of farmers into bankruptcy; a further drop in corn would mean widespread ruin. And no doubt there is a considerable element of truth in these statements, "other things," as the economists say, "remaining the same."

Let us look at the existing state of things rather more nearly. The remissions of rent, which have been universally made by landlords, came, in many cases, too late to save tenants. Farmers naturally held on; either they were sanguine, and then they thought that things would mend, or they were pessimistic, and then they thought it did not matter. The great majority of them kept no books, had no idea how they stood, and so went slowly bankrupt before they knew it. Others found that the reduction of rent was a mere drop in the ocean, as compared with the fall of prices. If an acre of land, rented at £2, produces five quarters of wheat at 30s., and the price goes down to 25s., a reduction of 50 per cent. will not make good the farmer's loss. And just as the prices of produce fell the cost of labour begun to rise; at least, wages certainly rose, and the farmers are agreed in saying that the quality of the labour changed for the worse rather than the better. But "necessity is the mother of invention," and everywhere Mr. Rider Haggard finds evidence that the pressure of the times has developed new resources and even qualities, new methods and new men. Nothing could better illustrate the old-fashioned type of farmer and farming than the reasons which he gives why so many go on with a profession which by their own showing brings so scanty a return. It is a pleasant life, you get a good house rent free,

and your expenses are small. Now the type of man to whom these considerations would appeal powerfully is not progressive. He is much more likely to sit down and cry out for protection than to devise methods of succeeding in competition: he will rail at the decaying quality of labour, but his example is not potent to reform it. In short, with farmers as everywhere else, the pressure of competition lies at the bottom of all improvement. Thus, for instance, in England it has developed a wonderful mobility on the part of a class which was formerly rooted in a district. The Scotch accent may now be heard in Essex and Hertfordshire, Cornishmen have settled in East Anglia, and Devonians spread themselves over the face of England. This is as it should be; districts have much more to learn from one another than is commonly supposed, and the spread of scientific knowledge is likely to override local conditions. Meanwhile, here are two striking instances of what can still be done in farming.

In the early sixties the late Mr. Prout became the owner of Blount's Farm, in Herts. It was in such a condition that, as its owner said, "it would starve a donkey,"—undrained, and divided by fences into many small enclosures, containing in all 450 acres. Mr. Prout put himself into communication with Dr. Völcker, who, after analysis, prescribed the chemical manures suited to the character of the soil. Following his instructions, the owner has been able year after year to grow crops of corn, a feat hitherto supposed to be impossible, and he has done it at a profit. "He keeps no cattle and no sheep, he grows nothing but cereals, clover, beans, and some mangolds for the horses, and year by year he sells everything off the soil that it produces" (i. 528, 529).

Lord Walsingham found that in 1874 he was paying more in tithe than he received as rent for a farm of 400 acres of heavy land in Suffolk. He took the land over, farmed it himself, and invested £2000 in stocking it. The profit was, in 1895, £386; in 1896, £429; in 1897, £1130; in 1898, £1467; in 1899, £877; in 1900, £704. Such were the results of his good management (ii. 494).

But to return. Of farmers, as of landlords, it is true to say that the middling men are disappearing. This is practically agreed upon in the majority of counties. Instances can be found of men who are doing well on large holdings, probably because they are men of unusual capacity, knowledge, and resource. The size of their holdings, too, gives them a great advantage. If a farmer has a great variety of sources of profit, a fall in one is often counterbalanced by a rise in another, the season which is unfavourable for one is exactly what is needed for another. Thus a man who deals largely in milk and butter; who has a pedigree herd of stock, and a fine flock of sheep; who grows, perhaps, large quantities of seeds for a seed-merchant, and vegetables for the town-markets, is almost independent of cereals; in fact, he consumes all his own corn and his own straw. And at the other end of the scale, the small man who gives minute personal attention to his holding, who employs no labour outside his family, he too "gets along,"—in fact, large families are once more at a premium, and sons are the best source of income. But to realize a decent income under these conditions calls for unremitting toil, the hours of labour are extraordinary long,—from 5 a.m. to 9 p.m. in some cases,—and the proportionate return cannot be said to be large. It is the man who is midway between these two, who farms from 200 to 400 acres, who is just above working with his men, and yet who lacks the capital and the resource of the large farmers, who is doing badly. Is agriculture exceptional in this?

Of remedies for the existing state of things but a few are suggested. Mr. Pickard-Cambridge, F.R.S., the well-known entomologist, who has a large and long acquaintance with Dorset, thinks that the principle of joint-stock farming should be introduced. In this way only, he thinks, can the capital necessary for improved machinery and experimental progress be provided. Economically, the suggestion has a great deal to be said for it. Granting certain kinds of soil, and certain forms of produce, there is no reason why the joint-stock principle should not succeed in farming as elsewhere. The objections to it will probably be political, viz. that it would tend to diminish population,

and would destroy the existing social system. But critics of such proposals often fall into the mistake of regarding them as panaceas, whereas they are put forward to meet particular circumstances. Mr. Rider Haggard himself insists, and very forcibly, on the need for more co-operation (in the simplest sense) between farmers. To see how much this is called for in modern times we have only to read the account given by Mr. Clarke, of Leeds, of the butter trade (ii. 375-377). Mr. Clarke is willing, nay, very desirous to deal with British farmers; he would rather have their butter than foreign, but he cannot, and why? Simply because English butter is so badly made that it will not keep. This is often due to the fact that it is made from the cream of several consecutive days' milking, and hence is not uniform in quality. Now, with a co-operative dairy it is possible to turn out butter from day to day, for the contributions of cream from the various farmers co-operating are sufficient to keep the whole staff and machinery employed. Surely the technical education committees of county councils have a great field here! Our author is also a strong advocate of an agricultural post, which by a service of motor-cars would facilitate the disposal of produce. The suggestion is well worthy of consideration, for in such a case the action of the State would give encouragement to industry, and not throttle it.

III. The Labourer. When we come to consider the labouring class, we find Mr. Rider Haggard is the very reverse of encouraging. From first to last it is the same story. In almost every part of England we hear the complaint that labour is scarce, dear, and bad. It is not easy, perhaps, to accept the statement of the Sussex witness who thinks that the golden age was before the reform of the poor law in 1834; for such a statement is not borne out by the evidence given before the Poor Law Commissioners. Nor, again, can it be said that the wages of country labourers are lower than they were. It is agreed that they have rarely, if ever, been so high, and whilst money wages have been rising, prices have been falling. The complaint is rather that for the last quarter of a century there has been a steady and progressive migration from the country to the towns.

The returns of the Registrar-General show, with certain exceptions to be noticed later, a decay of population in the purely agricultural districts. And this movement has serious consequences. Not merely is it increasingly difficult to find a sufficient number of labourers for agricultural purposes, but there is reason to fear that a physical deterioration is the result. On one point we think that the writer has fallen into an error. He paints, and in dark colours, the contrast between the bright, open-air life of the country labourer and his family, and the squalid surroundings and dismal conditions of a poor quarter in a city. Our own experience is rather that it is not the migrating population who are to be found in the slums of our towns, but either their descendants, or those whom they have displaced. The majority of those who flit from the cottage to the street are young men full of life and energy, who find employment as policemen or on the railways, and, as a rule, they do very materially improve their position and their prospects by the change. It is difficult to overrate the effect of a visit from one of our well-fed, well set-up policemen, with his warm clothing, his good dietary, his comfortable house, and (most important of all) his prospective pension, to his native village. No one can blame his younger brothers if they are fired with the same ambition.

What, then, are the reasons assigned for this general exodus? There is education, which many persons of experience think is carried on too late. If boys were brought into contact with the land sooner, many hold that they would stay on it. But the question is too large to be treated at length in a review, and we must realize that education is more likely to go forward than to go backward. How far its character can be changed with advantage, and a clearer distinction drawn between education in the town and in the country, is a question well worthy of the consideration of experts. There is the lack of interests. This, no doubt, is a powerful factor, and it affects all classes alike, for the comparative monotony of country life does not appeal to a restless generation. The life of a town, the shops and the crowded pavements, the sense of movement, of being

"in among the throng of men," have at all times appealed powerfully to the imagination of the young. The hopes which were entertained that parish councils and local politics would prove a counter-attraction seem to have been disappointed, and Lord Salisbury's gibe to have been justified, when he said that the labourers would "prefer a circus." There is Sunday labour, which is, we gather, most unpopular, so much so that it is next to impossible to get even milking done on that day—and this, not on Sabbatarian grounds, but because the labourers claim a holiday. Nor must we altogether omit the strength of tradition. There have been dark periods in the history of agricultural labour, when cottages were bad—even now there is much room for improvement,—when the labourer was treated infamously by his employer, and the difficulty of finding work compelled a sullen acquiescence, when wages were very low, and food was bad and scarce. It is no answer to say that on all these points there has been a great improvement. If, as Mr. Rider Haggard tells us, the memory of bulls is singularly tenacious of ill treatment, so is a mind which is not well stored with interests. The recollection of these "old unhappy far-off things" is still clear and vivid, and a constant source of discontent.

If the evil is apparent, and we can really find over large stretches of country none but old men and children, and the problem of labour threatens to be yet more difficult of solution when the present generation has passed away, the remedy is far to seek. It would seem as if—

"Next year young boys in Umbro  
Shall plunge the struggling sheep."

We may pass over, perhaps, without more than a mention, the suggestion made by one of our author's hosts, that we should import Italians (i. 134). Without joining in the rather irrational outcry against immigrant aliens, it may be doubted whether the modern Italian labourer would play the part of the Flemings or the Huguenots in English production. Another of the authorities quoted put the matter very plainly: "If we could offer a man 30s. a week and a good cottage, we should have plenty." To his mind it is a question of the relative attractions

of different callings, and if agriculture fails to offer certain attractions, those which it does offer must be increased, or other forms of employment will be preferred. The answer is heard on all sides, "With present prices we cannot afford to pay higher wages." The answer is perhaps not as convincing as it seems at first sight. In callings other than agriculture the same argument has been put forward, and as often refuted by facts. That high wages do not of necessity mean dear labour is a truth which by this time ought to be more generally recognized than it is. The rise in wages and the shortening of hours in the world of manufacture has so far proved an economy. Is the agricultural world an exception? Has the experiment ever been boldly tried, and, if so, with what results? Mr. Rider Haggard insists, and very properly, that the agricultural labourer is a skilled workman; then why should he not receive the wages of skilled labour? Is not a great deal of the weakness of agricultural labour, the tendency to disease, the want of moral qualities, such as versatility and resource, largely the result of under-feeding and bad housing in the past? And when protection is urged as a remedy for the labourer's ills, does any one venture to say that, when protection kept the price of corn at 40s. a quarter, the wages of labour were higher, or the condition of the labourer better? The fact is, that the principle of competition has never had a fair trial in the country districts. Custom is omnipotent in the matter of wages, and a farmer who paid more than the current rate would have things made very unpleasant for him next market day. Such a combination was possible enough, and, in the worst sense, profitable enough, when labour was in sufficient and more than sufficient supply, but its failure is seen by the exodus of labourers so soon as opportunity comes. The difference in the rents of a house in Grosvenor Square and a house, say, in Dengie Flats, is determined by the difference in their attractions, and the country labourer will soon be as scarce as houses in Grosvenor Square, and his value will rise proportionately. To repeat, let the experiment of 30s. a week and a good cottage be fairly tried, and, if analogy means anything at all, the farmers will have no reason to regret it, the

qualified success," *i.e.* they tried to live by their holding and pay their instalments, and were obliged to mortgage; a third sold outright; with these exceptions they are all doing well. The vendor says, in summing up—

"With my present experience I should have priced the good land lower, and the poor land higher. It is the cheap land they rush for, anything under £20 per acre. £20 per acre is 1*d.* per square yard, and when I told them a few glasses of beer would buy quite a nice little garden they caught at the idea" (i. 277).

For the results of the action taken by the Castle Norton Parish Council (i. 382) and the Worcester County Council at Catshill (i. 341), the reader must refer to *Rural England*.

These accounts make it difficult to doubt that a system of small holdings is perfectly feasible, even without protection to support it; and further, that such a system supplies just that interest which we saw was needed to stay migration to the towns. It is clear, in short, that the system might be adopted over a very large part of England with advantage to all concerned. Why, then, is it adopted so little? The answer is to be found in the fact that so large a part of this country is managed by professional land-agents. No land-agent will ever recommend the system, either freehold or leasehold, and for obvious reasons. Corporations universally, and landowners as a rule, are in the hands of their agents, and are deterred from any movement in this direction. And, secondly, the cost of conveying land is a serious obstacle. Any one who has had experience of buying a small piece of land knows how large, relatively, are the legal expenses for making out a title, *etc.*; and land registration, which would meet this difficulty, is systematically opposed by the legal advisers of all landlords, *i.e.* of a majority of the House of Lords. I will throw out a suggestion on the subject. Lord Grey's Public House Trust, if it realizes the hopes formed of it, will soon be spending large sums on public improvements: could these be better employed than in spreading the system of small holdings? To take the lowest ground, anything that retards the decay of population will be to the advantage of the Trust. Might not the funds of local charities,

under proper precautions, be made available to start the system, *i.e.* to buy land and sell it subject to repayment by instalments? Can nothing be done to extend the system of credit-banks? Hitherto there has been a suspicion that it has been worked as a political move, but there must be at least as good an opening for a *bonâ fide* establishment, as in Germany.

The results of *Rural England*, to my mind, are these. We are face to face with a great national danger, viz. the depopulation of our rural districts; whilst, on the other hand, the overpopulation of our towns is a danger in itself. (This being so, the charitable public should be very critical of schemes which, by neutralizing the effects of overcrowding in towns, and the want of employment, tend to check the action of natural forces which bring about a return flow.) The simple, obvious, popular remedy is protection; but the evils of protection are great, its efficacy as a remedy doubtful, and it is not as yet in the range of practical politics. The more difficult solution of the question is to recast our present system of land tenure, not from outside by legislation, but by the removal of the various obstacles to free experiment. Let all systems be tried, and let the fittest survive. In one district it will be joint-stock farming, in another the present system, in a third peasant proprietors. In a country so various as England there is no fear of monotony. But to make this struggle for existence possible, all obstacles to the exchange of land must be abolished, to allow self-interest to have free scope. When this is done the result will probably coincide with the action of such public-spirited men as those whose doings have been chronicled by Mr. Rider Haggard in *Rural England*.

L. R. PHELPS.

## THE LATER ECONOMICS OF ÉMILE ZOLA.

IT is a far cry from *La Terre* to *Fécondité*, and from *Germinal* to *Travail*. Whatever be the ultimate verdict as to the continuity of development in Zola's thinking, there is a clear case for drawing a distinction between the earlier and later phases of his economics. There is an interval measurable only by the whole difference between pathology and therapeutics. On the one side pessimism as regards the fevered and moribund society that is. On the other, optimism as to the commonweal that is to be. The presentment of the *tragédie humaine* in the Rougon-Macquart group of novels sets morbid passion upon a background of economic circumstance which it moulds and by which it is moulded. But it is an old testament of wrath. The volumes of Zola's diatessaron, on the other hand, with their plea for the natural because simple, and the efficient because wholesome and literally undissipated life, are a gospel of healing.

To the cursory reader a *volte face*. To some of Zola's disciples among the pessimists of temperament a perplexing *péripiétie*. Perplexing because to those who, wise after the fact, would read between the lines and discern development, such changes in general reveal the way in which they have been prepared for and led up to; and here, try as we will to explain that diagnosis is a necessary prelude to remedy, the objection seems to hold that there is in the diagnosis not only no hint of the possibilities of the medicinal force of nature, but even a strong suggestion that it is outworn. Nor is the defence adequate that the victims of circumstance in the corrupt *milieu* of the second empire are never represented by Zola as guiltless; that the wreckage of French social life was infect with the same rottenness as the argosies that came safe to port; that avarice and lust were not made innocent by ill-luck; that ignorance of the

conditions of health, physical and social, sent fool no less than knave to his own place. Responsibility for ignorance, it may be urged, is the most terrible lesson that naturalism has to teach. This lesson is not retracted in Zola's gospels. In *Fécondité*, for example, the family of Moineaud suffer the miseries which the most convinced Malthusian would predict for them. The fates do not spare the most innocent of them the natural consequences of ignorance. And if this lesson is not retracted, what place is there for retraction?

Such considerations lessen the force of a charge of inconsistency. They do not prove the existence of a conscious plan of development. The probabilities are that it was only as he advanced that Zola saw his way out of pessimism of the present into optimism for the future. The ideas of Zola's later economics may lie in germ in his earlier social philosophy, but they lie there in germ only, and perhaps even for Zola himself they were in subconscious rather than conscious possession. There is no hint that while engaged with the Rougon family, and under the obsession apparently of a pessimistic reading of the facts of heredity, Zola was as yet conscious that a taint might wear itself out, or by killing out the stock in which it harboured, leave room for the development of a finer type, or in truth that a finer type existed.

The moment for a transmutation of values and a precipitation of new ideas was perhaps for Zola the moment when a clan, doomed by the virus of corrupt heredities, found the end to their natural history which was ideally inevitable actually realized in *La Débâcle*. Just as the Downfall left France with the worthless elements in her degenerate society discredited where not destroyed, and allowed forces, which had been too long dormant under the dominance of the tyrannical man, to rise up and essay the task of regeneration, so the completion of the story of *débâcle* liberated in Zola new and regenerative ideas, alien from the morbid ones by which he had long been swayed. The natural development of contemporary France, when—in virtue of that core of unimpaired vitality upon which, to the surprise of the outer world, and perhaps to its own, it was still able to draw—

it set itself to work out its redemption, was allowed to reflect itself in Zola's spirit. Henceforth he, too, was concerned with redemption.

On this view the triumph of realistic method would lie in the fact that, living into the heart of his subject, he descended with his decadent society—in, though not of, which he was—into the purgatory of humiliation, and came back with others of the remnant to take a manful share in sowing for the harvest which other men must reap. He too, perhaps, had needed a lesson—not to despair of the commonwealth.

At any rate he learned it—then or earlier. He, too, is henceforth enlisted in the quest for the social remedy. At first he looks for it not along the lines of economic materialism, but among the often tried solaces of religious idealism. It is no new truth, however, that what men half believe is no cure for woes they wholly feel. Whatever the result of full belief might be in this modern world, Zola at any rate is convinced that the nostrum of the Church as it is involves the curse of sterility. Individuals might be saintly in life, sincere in thought, and charitable in action. But the system to which they belonged seemed in its absolute implasticity to make for a perpetuation of ignorance, servitude, and poverty. *Lourdes* against Science, *Rome* against Freedom, *Paris* against Commonwealth.

It is the strength as well as the weakness of Zola's fictional method that the conclusions have no binding force. They are points of view, facets of a not yet perfect whole. But his own verdict is not doubtful. He declares for the new wine and against the old bottles, and turns from the Church and its remedies for ever.

At one moment (in *Rome*) he seems inclined to look to something like Freemasonry—*l'église d'en face*—as to an historic force possessed of a vitality lacking to the Churches. But at the close of *Paris* he finds a clue to redemption, from which he never again swerves. It develops with him as any living idea-force must and will. It interweaves itself alike with the realistic and idealistic strands in his naturalism. It is

simple enough to English minds, in word, if not in deed. For it is in its first and germinal idea the Home reduced to its simplest elements: parentage; efficient material provision for selves and children; education physical, intellectual, and moral. This natural unit will be ruled by natural law. The natural law dictates that the provision be adequate—all the conditions of development, but no unwholesome superfluity; that the intellectual education be technical as well as bookish; and the like. Modest enough, but through the need of the home to be self-supporting, we are carried forward to the idea of efficiency in parents multiplying itself in the efficiency of the children; to the idea, again, of happiness found in isolation from anti-social allurements, *i.e.*, all those "social" pleasures so-called which involve exclusive appropriation of material sources of enjoyment and act as unnatural stimulants; to the idea, lastly, of happiness conjoined with and inseparable from a life of work.

It is the Aristotelian *οικία*—parent of economics—raised by the elimination of slavery to a higher power. It is the Aristotelian unimpeded activity which is, or has its inseparable perfection in, a joy hardly to be distinguished from the goal and good of life. It is the Aristotelian counsel to reduce appetites to a level, rather than goods to an equality. Yet in the upshot it works out, by the expansion of the *οικία* into the *πόλις*, into something like a collectivist commonwealth reached by natural evolution.

Zola's first stage is Home-life rendered stable and secure by being based on the rock of organized efficiency. It is set forth as the gospel of Fruitfulness. *Fécondité* has little of the art of the earlier Zola. From *Germinal*, greatest of modern novels, to *Fécondité*, most serious of modern sermons, is, from the point of view of æsthetics, a fall. Like Plato in old age, or like Ruskin because the zeal of the preacher has overpowered the instinct of the craftsman, Zola in his most weighty words is ponderous. No æsthetic masterpiece, perhaps, could have a genealogy for its refrain. But like Plato, Ruskin, Tolstoi, the artist Zola has won our ear. What he takes to be his earnest and sincere message we may well listen to.

*La Terre* and *Germinal* were true. For the France that has survived the Downfall the problem of repopulation is one of life and death. In industrial centres the positive checks of Malthus, and notably "misery," in rural districts and in "Society" vicious preventive checks, seem to Zola to have wrought such havoc that not a Malthusian policy, but a neo-Colbertism needs to be preached. "Be fruitful," then, "and multiply and replenish the earth," is Zola's first gospel.

If *Fécondité* stood by itself it would probably be summed up by the orthodox economist in the formula that, under the special conditions of France after the war, a policy based on the principles of Malthus is inapplicable, and a view having more affinity to certain statements by Adam Smith is the saving half-truth of the times. The children born during the war, those who came through it with diminished vitality, all those who suffered after it from the loss of breadwinners need no dissuading from pressure by undue increase upon the limits of subsistence. They will only press upon subsistence because lessened vitality means at least proportionately lessened efficiency which will reflect itself in product. They can get little harm from the old-world maxims of the descendants of "a Syrian ready to perish."

*Fécondité*, however, does not stand by itself. It is coupled with the gospel of work. The stability of the home requires that it be earned. The positive checks of Malthus will still operate against *les Moineaud*. It is only Matthew's inherited, or at the least transferred, efficiency that enables the standard of living to be preserved along with the patriarchal "tendency" to increase up to the limits of subsistence. We must take also into account Zola's second gospel. *Fécondité* and *Travail* are synoptic gospels in Zola's new testament. They see eye to eye.

Taking a wider view, *Fécondité*, even if it stood by itself, would refuse to be measured by the suggested formula. It is a message of warning to any overcivilized State. That a tendency of population to press on subsistence is a reality does not admit of doubt. That preventive checks, however, even

though not vicious in the common acceptation of the word, may so far sin against the teaching of physiology as to weaken the race is equally not to be doubted. For instance, it is possible that marriage should be deferred to so late in a class or a community that the physique of the children born might be more unfavourable for the struggle of life than any increase in the comfort and educational advantages amid which they were reared could possibly compensate. The antagonizing of the tendency, the weighting of the spring, must not be such as to injure or destroy. And this, perhaps, is the real teaching of Malthus, no less than of population statistics in France and in America, of President Roosevelt and of Émile Zola. Even with no gospel of efficiency this might be a message worthy the bringing, not only to France, but to Western civilization; if, indeed, the writing is not already upon the wall. Nature is very subtle in remedying the mistakes of man, but one mistake she never forgives him, that of mistrusting her.

There remains the gospel of efficiency. And here Zola, the aforetime critic of Philistine institutions from the point of view of the materialist interpretation of history, indulges in what Mr. H. G. Wells has called "inductive prophecy." He describes what is undoubtedly an Utopia, at least in the sense that it is so far nowhere realized. If raillery be the test of truth, it is here perhaps that he will most need to stand the fire of a contemptuous criticism. Fruitfulness would be laughable enough, if in truth we were not all of us a little frightened. We can still laugh at collectivism, especially on the lines of Fourier.

Numbers cannot of themselves save a race; though they perhaps tend to do so, at least to the extent of survival. But, says Zola, numbers with efficiency can and will. The alternative, as he puts it, is not between numbers with a low standard of livelihood, and therefore of efficiency, on the one hand, and the few with a high standard of living and high efficiency on the other; but between numbers with a high standard of living and efficiency on the one hand, and, on the other hand, those who, whatever their standard—and some types of high standard of living do not involve proportionately high efficiency—are afraid

of numbers. This is Zola's chief contribution to the solution of economic problems. If it be true, truly it is a revelation.

We have been so bemused with problem-plays and novels based on the inevitable workings of ill-heredities that we have well-nigh forgotten, as the Zola of the Rougon-Macquart series appears to have forgotten, that our congenital equipment where sound and wholesome likewise comes to us by inheritance. Zola now teaches that natural home-life, based upon a truer observance of physiological laws, will direct itself to education on the lines of what a recent writer has called "projected efficiency," and will tend to produce, in the next generation, both force and balance of character; enough, indeed, to supply the community with all the entrepreneur-ability that it needs. First, in agriculture, in conformity with the kernel of truth to be found in the physiocratic ideal of French practical economics; then in the mining and machine industries, both those producing the machinery and those employing it; finally, in all together, with reciprocal action. The apparent inversion of order in *Travail* is to be corrected by the reflection that *Fécondité* comes first.

It does not precisely appear how much of the characteristic quality of the second generation is to be attributed to heredity in the strict sense, how much to educational and other surroundings; how much in education to conscious and how much to unconscious teaching. There is, at any rate, a tradition, if not an hereditary transmission, of intelligence and *morale* here equally as with the corrupt types of the *régime* preceding the Downfall. On the whole, from the idyllic intermarrying of descendants from different social castes when labour has won the day, and from the happy consequences which Zola describes, it would seem that he is now optimistic as to the regeneration of physical types upon the cessation of in-and-in breeding—notwithstanding that in *Vérité*, possibly in antagonism to the teaching of the Church, there is a marriage between cousins, and the earlier gospels are not guiltless in this matter. He appears to hold that in general, or, at any rate, in the majority of cases, a sound physical type placed in suitable

environment will exhibit in action traits indicative of sound intellectual dispositions and sound moral aptitudes, and that out of this plastic material there will, by repeated action, be shaped stable characters which will renew with interest the virtues and dexterities of the older generation. It is enough, of course, if this is *on the whole* true. And unless Zola maintains the direct transmission of moral character, the view is in theory impregnable; while, if he does so, he is only technically wrong. The view is Plato's before him.

As a result our entrepreneurs of the Froment type will tend to be fertile in scientific ideas, and in their practical adaptations in the form of inventions. If once secured against all danger of the loaded dice of the capitalist being cast against them, they can hold their own in competition against the present composite class of landlords, capitalists, entrepreneurs, and professional men. They will spend less of their surplus on the gratification of the senses in the way of exclusive indulgences. They will be less unfitted by their indulgences for the unintermittent struggle. They are always alert, and a larger proportion of their gains goes constantly to the augmentation of the sinews of their warfare. They can in the end outbid their rivals for material. They are not loth to spend on new plant what is not taken from the means to the satisfaction of imperious desires. They can add to the share of labour by higher wages and by profit-sharing, which in France has come to more than its own; they can rally round them the more intelligent workmen. They can subsidize technical education, and in the next generation their relative advantage is greater still. The wage-earners get increased comfort and maintain a higher standard of comfort, and so become more efficient. There is promotion according to efficiency. And the process perpetuates itself with interest heavy and compound, till the individualist rival is driven from the field. By capitalistic methods they overwhelm capitalism. By competition they cast out competition.

Zola perhaps scarcely takes sufficient account of the fact that the imperious nature of the desires of the individualist captains in industry gives strength to their motives in the competitive

struggle. Nor of the fact that the desires of the less thrifty workers are often such a strong driving-power as to lead them to oust the profit-sharer with his higher efficiency, but withal higher standard of comfort, from many fields of employment. That this may be considered a real danger is proved by the fact that American protectionist policy is based by one economist upon this point alone. By leaving the procreative impulse undiminished in imperiousness, Zola in part escapes the difficulty, but not entirely. Nor, perhaps, does he realize in these days, when efficiency is relatively scarce, that machine-industries do not require the many to be efficient in his sense. Rather they require a quantity of "hands," intelligent and disciplined indeed, but without initiative. Somewhat similar is Mr. Wells's fallacious "anticipation" that the engineering genius will find more in common in his hours of ease with the mechanic than with the affable *rentier*.

Zola's scheme however is, in his idyll as it stands, most clearly vulnerable in the fact that it is only by a felicitous conjuncture of circumstances that the capital which is on the side of the old order is placed at the service of the collectivist leader. Jordan, the forced celibate, with his enormous scientific knowledge acquired for knowledge's sake and his accidental millions at the disposal of his organizing friend, is a fine creation of Zola the artist, but for Zola the reformer he is a god from the machine, and therefore to be regretted. And the trick is repeated. The land falls into Luc Froment's hands by an act of restitution and renunciation not to be relied on as the mainspring of the mechanism by which the *phalanstère* is to be launched. We must then suppose that, by the union of regenerating heredity and its normal concomitant of sound training, the natural simple life, with its primary control not of goods but of appetites, will produce efficiency and yet more efficiency. With this resultant and growing relative advantage, it will supply a greater and greater proportion of the best brain and muscle of the community. It will thus produce a progressively greater proportion of entrepreneurial ability which, sooner or later, must have capital at its

mercy. So that we need not scruple if, in order to bring the generations-long struggle between the old and new orders to a conspectus, we have to hasten by a happy accident a result inevitable from the first. Capital will be at the service of the federation of labour when it gets more from it than is open to it from other sources, and not till then.

Or, in the alternative, we must hold that capitalists will not close their ranks in class-sympathy, that those at least who have sprung from the ranks of labour will fight on the side of the order from which they came, or, with more probability, that the nobler souls will cast in their lot with humanity. This seems to be Zola's hope. But hope is not reality. There are such things as lost leaders. The capital on the side of labour will be long the smaller. Is the heaven that backs the big battalions on the side of the smaller capitals?

Or, once more. Is Jordan the type of the god or son of a god who will unite philosophy and kingship, so that states may cease from their ills? In that case we are speaking as in Plato's commonwealth, and not *in face Lutetiae*.

The assumption that the scientific developments of the future are to be at the service of collectivist ideals is one common to Bellamy's *Looking Backward*, which owes its whole plausibility to the idea, to Zola's *Travail*, and to Mr. H. G. Wells's *Anticipations*. Is it justified?

Zola's science at any rate is not convincing. That by turning your explosive to motor-purposes you divert it from the possibility of anarchist misuse seems fallacious. As to Jordan's discovery in *Travail*, the achievements of latter-day science are so great that doubtless we need not despair of harnessing all energy in the service of man, and countering its dissipation. But the discoveries are still to come, and will not necessarily be made by a member of the Labour party.

The belief that redemption can only come, if it come at all, through the triumph of physical science works out into the view that the disciplining of labour will make for cohesion even to the lengths of a quasi-military obedience. It is perhaps unduly optimistic to believe concurrently in the democratization

of such initiative as is needed in the industrial army—an initiative of a very high grade which must work by the suppression of all lower grades save that of the “living machine,” the intelligent white slave.

Zola's home education as found in *Paris* and in *Fécondité* widens out into a quasi-public one in *Travail*. Even in those things which spring from the recreated home, not to speak of those which belong to the communal and preferably mixed education advocated with passion in *Vérité*, the home life is rather the nidus out of which the collectivist or co-operative movement issues which is destined to absorb all homes. Is the home only to foster types till the general environment becomes favourable, and then to sink to a subordinate position as the *oikia* to the *πόλις* in Aristotle? Can a co-operative movement again, which is voluntaryist in its inception, but which absorbs all else by amalgamation after competitive victory, be held to be motivated in its old way when it has become “socialist” and exercises virtual if not theoretical compulsion? Do you not need an account of the growth of the social motives and the social virtues? Are there not gaps which Zola's unfinished task leaves yet to fill? How far would the fourth gospel, which the master's hand will never now give us, have put spiritual values behind the economics of *Fécondité* and *Travail*? The interest of *Vérité* is too *Dreyfusard* to serve the purpose.

Finally, is Zola's economic gospel, in substance as in form, still fiction?

HERBERT W. BLUNT.

## THE MORAL PRINCIPLES OF COMPENSATION IN TEMPERANCE REFORM.

THE following article is based on a report presented to the Cambridge University Branch of the Christian Social Union in October last, by a committee of three members, of whom the author was one. Much of it, therefore, is really the work of the other members of the committee; though, at the same time, since the author's views differ from theirs on some important points, the full responsibility for its statements must rest with him.

The moral problem of compensation in temperance reform is one of the application in a particular case of the general principles of justice. The State, we are assuming, proposes to withdraw from many or all of its present holders a certain trading right of the character of a monopoly, which was granted and is held under certain legal and moral conditions. What just claim for compensation exists? That is, in general terms, How can the action of the State in withdrawing these monopolies be made a just one to all concerned? The answer clearly depends on the expected results of the withdrawal of the monopolies to those immediately concerned and to the community at large, and on the conditions, legal and moral, under which the monopolies are held.

Before, however, considering these problems in detail, we may examine the validity of some arguments against compensation which do not seem to be affected by the answers that may be given to the more central questions.

(a.) The harm caused by drink. It is sometimes argued that the fact that the nation has suffered greatly through alcoholic drink affords a reason for the refusal of compensation to those engaged in the traffic.

“When the drink traffic is prohibited, it will be on the ground that it has been injurious to the best interests of the community, and if any compensation be due, it must be to the public which has suffered, and not to the publicans who have inflicted the wrong.”<sup>1</sup>

But such an argument seems radically unsound, confusing two very different matters—viz. the evil which may be said to come through the publicans as the sellers of drink, and the evil for which they are morally responsible. It would be contrary to the moral sense of the nation to regard the sale of alcohol as universally wrong; and the publicans or the brewers in many cases cannot be fairly said to be responsible for the harm caused by the drink they supply. The evils of drink form in themselves a reason for the reform of the liquor traffic, not for the refusal of compensation to those engaged in the traffic.

(b.) Direct and indirect violation of the law on the part of members of the trade. It would be unjust, I have said, to refuse compensation to members of the trade on the ground merely of the evils of drink. There must be responsibility if punishment is to be inflicted. But it cannot be denied that for some, if not a considerable portion, of the harm caused through drink, brewers and publicans should be held responsible. Wilful evasion of the spirit, and even of the letter of the law is, it may be feared, all too common. But here the difficulty arises that such wrong-doing is individual only, not universal. If in a large scheme of compensation each case could be dealt with on its own merits, compensation should certainly be largely reduced where misconduct could be proved. It is difficult to say, however, how far this would be practicable; and if it proved not to be so, little could be done, since it would hardly be just to make a general reduction of compensation on account of misconduct on the part of individuals. It cannot be doubted, again, that many members of the trade are guilty of deliberately endeavouring to make the welfare of the nation subservient to the interests of the trade. It will be felt that those who adopt the motto, “Our trade our politics,” deserve little generosity. But here, again, it is probable that the majority of the members of the

<sup>1</sup> The Scottish Temperance League.

trade would in all good faith deny the validity of such charges and it would not seem just to make them the ground of a general reduction of compensation.

(c.) The "unearned increment." It is a matter of common knowledge that a licence for which a very small sum is paid to the State is worth hundreds, and often thousands of pounds, to its holder. Is it fair, it is argued, that the State which has given this munificent gift should have to buy it back again? Two cases must here be distinguished, that of the licence-holders who have themselves received the gift, and that of those who have, so to speak, bought it from a past recipient. In the first case, it would not be unjust to refuse compensation, or to give but very small compensation, having regard to conditions of tenure of the gift. This case, however, very rarely holds; the vast majority of the present licence-holders have bought their licences in the open market, and have paid their hundreds or thousands of pounds for them. In this latter case, therefore, the fact of the "unearned increment" does not seem to afford in itself any argument against the giving of compensation.

Turning now to the central question, it should be noted first that the rights of monopoly with which we are dealing have a peculiar character of their own. It is admitted on all sides that—apart from the exceptional cases of the ante-'69 beer-houses, and off-licences—there is no legal right to the renewal of a licence. The magistrates act at their discretion in granting or refusing the renewal, as in allowing or refusing the original grant. The limitations of this discretion will be discussed hereafter; at present it is enough to say that the question of compensation must be dealt with as a question of the compensation of certain expectancies, not of any rights in the proper sense of the word. Now compensation for the loss of expectancies on the part of individuals, or a class of individuals, may, it seems, be given on two grounds, which may be distinguished roughly as the economical and the moral. The economic ground for compensation—which has, of course, a moral basis—is "that stability and security of property is of the utmost importance in human affairs, and, in fact, constitutes one of the main marks

of a civilized state;"<sup>1</sup> and therefore the importance of compensating depends largely on the amount of the interference and the strength of the expectations disappointed.

In the present case, it is clear that the economic grounds tell strongly for considerable, if not full, compensation. Large and varied interests are involved in the liquor traffic, and expectation of the yearly renewal of licences has been, and is still, for the most part, so strong that the renewal is looked on as a practical certainty. Mr. Sanger has worked out this argument so fully in his book, and the main facts on which it rests are so well known, that it is unnecessary here to discuss it in further detail.

But this principle, if taken by itself, is clearly insufficient, for expectations which are in practice strong and secure may yet be of such a character that it would be felt absurd and wrong to compensate for loss due to their disappointment. A classical instance of such absurd and wrong compensation is that of the compensation given on the abolition of the purchase of commissions in the army, when officers were compensated on the basis of a customary over-regulation price, though the paying or receiving of any price for a commission, except the regulation one, was forbidden under heavy penalties. It is obvious in this case that, though the expectation of the continuance of the custom of paying the over-regulation prices might be perfectly valid on economic grounds, there was not the shadow of any moral claim to compensation on this scale, simply because it was the continuance of an illegal and even criminal custom that was expected. Similarly, in the general case of compensation for the withdrawal of rights whose continuance was expected, the conditions of the tenure of the rights which were agreed on by the two parties concerned have an important bearing on the moral question of what compensation may be justly claimed, and may even destroy any moral claim for compensation, although the circumstances may be such that the expectation of continuance is perfectly valid on economic grounds. The validity of an expectation in economics is, in fact, a different matter from its validity for the purpose of compensation.

<sup>1</sup> Sanger, *Compensation in Temperance Reform*, p. 20.

The second ground for compensation, therefore, considers the condition of the expectation, and may be called especially a moral ground for compensation as involving the problem of the rights and duties in reference to an agreement of each of the two parties to that agreement. In the present case, we must consider how the expectation of the renewal of licences has arisen and is sustained, and what is the nature of the agreement between the licensee and the State.

I. The legal aspect of the agreement. The legal position of licensees, after having been, as it seems, misunderstood for many years, was clearly laid down in a series of well-known cases. The result was to make it certain that, by the law, the magistrates had, and had always had, full discretion in the case of renewal, as in the case of new grants, only limited in the sense that the discretion must be used judicially as opposed to capriciously, and that the magistrates "must have a judicial regard to any particular case, and must not lay down a rule for themselves beforehand."<sup>1</sup> From the legal point of view, then, an essential part of the agreement between the licensee and the State is that, relatively to the former, the magistrate's action in renewing or not renewing may be absolutely incalculable, and, in one sense of the word, arbitrary. The importance of these legal facts is obvious, and need not be further insisted upon. One point, however, should be noted here to complete the argument, viz. that at the present time it is impossible to minimize the force of these provisions of the law by claiming that they are a dead letter. The counsel to the Licensed Victuallers' Association publicly admitted, in 1883, that the facts were so; and some benches of licensing magistrates have, in the last year or two, begun to take definite action towards the reduction of the number of licences, and have not scrupled to use fully their discretionary powers when the reduction could not be arranged by agreement with the brewers.

II. But the case cannot be entirely decided by an appeal to the letter of the law. There are four points which may be raised, as tending to show that the agreement between the

<sup>1</sup> The Lord Chancellor, in *Boulter v. Justices of Kent*.

licence-holders and the State is not such as to preclude them from justly claiming compensation, especially when it is proposed to take away a very large number of licences.

(a.) There are some points in the legal procedure in the granting and renewing of licences which may fairly be held to show that the legislature regards renewal of a licence as the normal course of events, and that therefore when licences are taken away abnormally, as in the case supposed, there is a moral, if not a legal, claim for compensation. Confirmation is required for new grants, but not for renewals. The applicant for renewal need not attend unless required by the justices; notice must be given to him of any objection to renewal; evidence in respect of a renewal is to be on oath; and, finally, he has in case of refusal the right of appeal to Quarter Sessions. Different judges, however, have held various views on the bearing of these rules on the question of any sort of right to renewal. Lord Bramwell said, in *Sharpe v. Wakefield*, that "where the appeal is against a refusal to renew a licence, the respondents begin; the burthen of proof is on them: they have to make out that the appellant ought not to have a licence—practically, that his licence should be taken from him;" and, further, that he thought "that the legislature contemplated that ordinarily licences would be renewed, and have most strongly shown that." On the other hand, when *Sharpe v. Wakefield* was before the Court of Appeal, the Master of the Rolls declared that "not renewing is not taking away, it is not giving." The legislature, we may assume, was primarily contemplating the action of the magistrates towards individual licence-holders; in such cases it would seem that there was certainly no legal claim, and little if any moral claim for compensation, and a reduction in the number of licensed houses, such as even that proposed by the Minority Report, might be fairly held to be subject to the same principles. On the other hand, if any form of Local Option or Municipalization is being considered, there seems considerable strength in the argument that the provisions of the law have been such as to lead licence-holders to expect that there would be no such great interference with the rights of custom.

(b.) It may be said with considerable truth that, till recent years, the universal action of licensing justices was such as to imply that the licensee had an actual right to renewal, and that even lately the justices have very rarely used their powers. Now, of course, the situation is rapidly changing, and the examples of Liverpool, Glasgow, Farnham, and other benches of magistrates make it clear that it is only in the case of Local Option or Municipalization that the licensees could argue that the general refusal of renewal of licences contemplated was unheard of and in any way against the bond. The practices of granting provisional licences on the condition of special structure and arrangements in the houses to be built or altered, and of granting new licences on the surrender of old ones, seem also to give an argument for compensation. For both these practices seem to imply the expectation, at least on the part of the justices, that the new licences will be comparatively permanent, and hence seem to give some moral justification to a claim for compensation when such licences are taken away.<sup>1</sup>

(c.) It is argued sometimes that, in levying the death duties on the full market value of licences, the State gives, to some extent at least, its sanction to the idea of their general permanence. But this argument seems hardly valid. The State levies the death duties on all that has value, without any inquiry as to whether such value is either economically or in any way morally speculative. Similarly, the fact that when licensed property is compulsorily taken for public improvements, the licensee receives the full market value of his licence, goodwill, and purchases gives no valid argument for compensation on licences being taken away by the legislature which gave them.

III. Another argument for the moral justice of compensation arises when, not the licence-holders themselves, but that large body of the public which is indirectly interested in licences is brought into consideration. The shareholders of breweries are very numerous, and drawn from all classes of the community; and hence, these brewery companies being the owners or mortgagees of a large proportion of the licensed houses of the kingdom,

<sup>1</sup> Cf. *Report of the Royal Commissioners on Liquor Licensing Laws*, pp. 11, 15.

a large number of persons, many of whom could hardly be expected to realize the precise nature of the agreement between the licensee and the State, would suffer undeserved pecuniary loss if licences were taken away in a wholesale manner without compensation. This argument, of course, raises the whole question of the responsibility of shareholders. The ideal, doubtless, is that they should make themselves fully aware, not only of the moral character, in the usual sense of the word, of their investments, but also, as far as possible, of the actual facts and even details of the business by which they gain their money. But though the former part of this ideal is perfectly practicable, it may be questioned how far the latter part is so, and, in the present case, how far shareholders can be reasonably expected to know the precise conditions on which licences are held. On the other hand, it may be urged with great reason, that to give compensation because of the losses of these shareholders would be to encourage unnecessarily, and even wrongfully, the all too prevalent weakness in the feeling of responsibility on the part of shareholders for their investments. The question is a somewhat difficult one, but the present writer is inclined to think that the losses of these shareholders have a greater claim for compensation than those of the direct licensees, and that therefore the argument for increasing compensation on their account is, on the whole, valid.

A few words may be said as to precedents. Various precedents are brought forward both for and against compensation, drawn from the action of the British Government in other cases of encroachment on rights or expectancies, from the action of other Governments in dealing with the liquor question, and from the past action of the British Government in certain instances of suppressing licences. It is difficult, however, to find any that are sufficiently analogous to the case under consideration to give any real help. Those drawn from the past action of the Government in suppressing licences at various times may perhaps be mentioned here, as being at any rate more analogous than the rest. In 1869 the rating qualification for beer-houses was raised, and, as a consequence, a large number

of those licences were extinguished. But there had probably been little or no monopoly value attaching to them, as the justices had previously only had control over the full-licensed houses, there being, in the words of the Minority Report, "free trade in beer." A similar Act was passed for Ireland in 1877, dealing with the beer-retailers' and wholesale beer-dealers' licences, but again the magistrates had had but little control over them. Lastly, the Acts of 1880 and 1882 extinguished many "off" licences by giving the justices the same power of refusing their grant as they had for "on" licences. But again, the monopoly value can have been but small, since previously the grant of "off" licences could only be refused on the well-known four grounds. Even these precedents, therefore, of extinction of licences without compensation, will be seen to have but little value when compared with the present case.

The methodical arrangement of the chief arguments for and against compensation which has been attempted above seems to bring out some important points which are often neglected. The chief difficulties of the problem, if the present writer is not mistaken, are due to the fact that there are two very distinct lines of argument in the matter, which have been called above the economic and the moral respectively, though these names are not perhaps the best that might have been used. They might perhaps have been called the "social" and the "individual" lines of argument; for the first is based on the fact that the community suffers when any of its members suffer, and therefore urges that for the sake of the community the individual should be protected; while the second considers rather the application to the individuals concerned of the universal laws of moral justice. The first puts the question in the form—Is it expedient or right, in the interests of the community, that compensation should be given? The second asks the more purely ethical question—Is it just that the individuals concerned should receive compensation? When taken by themselves, neither of these two lines of argument raises any great difficulties; but in the endeavour to combine the two, there arises the problem of the relations between social and individual ethics, or, as it may

be put, of the relations between ethics and economics—that fundamental problem of all social work. But the attempt to combine these two lines of argument must be made if the problem of compensation is to receive any satisfactory solution.

It has been the intention of this article rather to indicate the methods by which the problem of compensation may be attacked than to offer a solution of it, or even a discussion of the practical question—How much compensation should be given?—a task which the present writer feels to be beyond his powers. But a confession of the results to which he has found himself led may perhaps be of use as illustrating the application of the arguments dealt with above.

The first point that appears is that we cannot give any direct and general answer to the question of the justice of compensation in view of a reduction in the number of licences. The answer, in fact, varies with the extent of the reduction contemplated. Thus, in the case of such local reductions as have lately been carried out by some magistrates, no claim for compensation seems valid, for the magistrates are simply exercising their well-known legal rights, while there is no such disturbance of trade as would give any force to the economic argument. In the case of a general reduction, say to such an extent as that proposed by the Minority Report, the argument for compensation seems stronger on all grounds, for there would clearly be considerable disturbance of trade if no compensation were given, and the argument that the State had led licence-holders to expect that there would not be any such general refusal of licences is at least not unreasonable. For such a reduction, therefore, it would seem that such compensation as that proposed by the Minority Report, amounting perhaps to one-third of the amount of loss, would be necessary and sufficient. Finally, in the case of compensation under a Municipalization scheme, and still more under a scheme of Local Option that allowed prohibition, the arguments for fairly full compensation, such as that, *e.g.*, which would be given by a time notice of thirty years, or an immediate payment of three-quarters of the loss, seem very strong.

As to the sources of compensation, if money compensation is

being given, it seems difficult, if not impossible, to lay down any general rules. For, as Mr. Sanger points out,<sup>1</sup> it seems probable that whatever tax is put on the owners of licensed property will, in the long run, be mostly borne by the consumer, so that there is really not much difference between taxing the trade and taxing the nation. On the other hand, it seems clear that in any scheme under which some licences would be left, the increased value of these licences should, if possible, be used for the compensation of the owners of those taken away. The question, in fact, seems to be one rather for the professional economist than for the amateur moralist, and also one entirely subsidiary to the main one of how much compensation should in justice be given.

F. J. WESTERN.

<sup>1</sup> *Op. cit.*, p. 118f.

## CO-OPERATION AND COMMERCIAL MORALITY.

“THE Congress regrets that no progress has yet been made in the direction of legislation for the ‘Prevention of Corruption in Trade,’ and especially regrets that the Lord Chancellor has not re-introduced his bill in the present session of Parliament.”

So ran the resolution passed at the Exeter Co-operative Congress last May ; and, in view of the discussion which then took place, Mr. F. Maddison reported that “the Congress did its duty, and ranged itself on the side of commercial integrity.”<sup>1</sup> But behind that decision lies much that is now public property, and which certainly calls loudly for stringent measures of reform. If co-operation is to be regarded as a great moral force, its own standard of morality must be above suspicion. This the Co-operative Union fully recognizes. In its endeavours to secure purity and integrity in all transactions on the part of co-operators, the committee has had a difficult task to face. But the fact that it has undertaken this duty redounds greatly to its credit, and—painful as some of the disclosures are—will certainly make for righteousness throughout the whole co-operative world.

The subject is not new. At Liverpool, in 1899, the motion in support of the late Lord Russell’s bill, making it a penal offence to give as well as to receive a bribe, found ready and unanimous support ; but it is noteworthy that on that occasion no suggestion was made of anything of the kind as especially affecting the co-operative movement. The matter was introduced with regard to commercialism generally, and there was no hint that co-operation as such was in danger of becoming corrupt. It is true that before this rumours of doubtful transactions had been heard from time to time, but these whispers

<sup>1</sup> *Economic Review*, July, 1902, p. 337.

were generally discredited, and it was rather in the hope of repudiating such slanders that the resolution came to be submitted. The enthusiasm with which the motion was carried was a fair indication of the resolve that, so far as those present were concerned, integrity and righteous dealing should be assured.

The Co-operative Congress, it will be remembered, is the annual gathering of representatives from all the societies subscribing to the Co-operative Union. According to the Registrar's Returns, there are, at the present time, 1648 societies enrolled. Of these, 1135 belong to the Union, and 513 are outside its pale. The total membership is 1,919,555; those within the Union numbering 1,724,961, while those outside only amount to 194,594. It will thus be seen that, although nearly one-third of the total number of societies enrolled are outside the Union, these include but a small proportion of the members. The attendance at Congress may be set down at something over 1100, or about as many delegates as there are societies in the Union. It does not follow, however, that all these societies are actually represented. The right of representation is according to the amount of the annual subscription and the numerical strength of each society, and it is no uncommon thing for large societies to send a dozen or even twenty delegates, whilst parties of three, four, or six are very frequently to be encountered. From this it is obvious that a large number of societies never put in an appearance at all. These are for the most part the smaller societies, at a distance from the place of meeting. But the Congress is regularly attended by the more zealous co-operators—men of conviction, principle, and integrity, who represent the best side of the movement—and when the spirit and enthusiasm of the Congress permeates the entire system, many of the difficulties that have to be faced to-day will tend to disappear.

At present, however, it is to be feared that far too many societies which adopt the methods of co-operation, so far as trading goes, are unable to appreciate its higher principles, and tend to ignore its moral obligations; and it is, perhaps, only

natural that the outside world should fail to distinguish between society and society, and, if one be found wanting, should indiscriminately pass judgment upon the system as a whole. But in strict justice each society is answerable for its own concerns, and must stand or fall upon its own merits. On the other hand, what touches the honour of one touches the honour of all, and is felt by those most keenly interested as a reproach upon the whole movement, which must at all costs be removed. That this is the spirit which governs the Co-operative Union, the following note from the Report of the Central Board for 1900 clearly shows:—

“The Liverpool Congress passed a resolution strongly supporting the bill introduced into the House of Lords by the Lord Chief Justice, which has for its object the prevention of bribery and corruption in commercial and business transactions. Since then there have appeared in the public press some grave charges against officials and employees of co-operative societies, and these statements have been made as much of as possible by our enemies in an attempt to prove that the co-operative movement was corrupt in its business relations. The charges were made during the examination of a commercial traveller in the Bankruptcy Court at Newcastle-on-Tyne. He gave as one of the causes of his bankruptcy that he had been compelled to give bribes to co-operative buyers and committeemen in order to get them to purchase his goods. Such serious charges as these could not be allowed to go unchallenged unless the movement was prepared to accept them as true, and thus lose all sense of honour. Rumours of this kind have only been too common in the past, but the misfortune has been that it is invariably impossible to obtain reliable information on which to proceed, either against the slanderers or against the guilty persons.

“In this case, however, there seemed to be something tangible to go upon, as the registrar of the Bankruptcy Court allowed the books of the bankrupt to be inspected by our representative, so as to enable us to take steps to purge the co-operative movement from the charges made against it. Feeling that we were in a sense the defenders of the honour of co-operation, we approached the societies whose officials were said to be implicated, and asked them to proceed to have the charges investigated in the law courts. With the exception of one society, they all eventually agreed to our request.

“There have been two cases tried in the County Court, and both

were unsuccessful in bringing home the charges of bribery. Our only object in bringing these cases into court was to elicit the truth, if possible, and either to clear the officials from the charges, or otherwise to punish the guilty.

"We shall not rest satisfied until the whole of the matters connected with these damaging statements have been thoroughly cleared up."

It was in pursuance of this determination that the Union was eventually successful in entering an action at the Liverpool Assizes in the case of the Haswell society—the only society whose claim was over £50. The case was tried on August 2, 1900, before Mr. Justice Phillimore and a special jury. The Haswell Co-operative Provision Society sued Messrs. Hickson, Lloyd, & King, well-known merchants and warehousemen at Manchester, for the recovery of £120, being 3 per cent. on a turnover of £4000, the amount of the trade done with the plaintiff firm. It was admitted that the defendants' traveller had made presents in money or goods to the officials of the plaintiffs in order to obtain orders from them, though it was denied that this was done with the knowledge of the firm. The defendants also recognized that, under such circumstances, the plaintiffs would be entitled to recover the value of such presents. Judgment was therefore given for the plaintiffs, for an agreed sum, with costs. This decision fully justified the action of the Union, whilst the failure to convict in the County Court only showed the extreme difficulty of proof, even when suspicions appear to be well founded. Still, the mere fact of bringing the case into court should have a wholesome effect, and at any rate should clear the leaders of all complicity in such transactions.

One ugly fact remains. In the course of the investigations numerous letters were received, which put it beyond doubt that, in several duly authenticated cases, not only managers, but committeemen had been guilty of receiving bribes. In face of these disclosures the Union thought it advisable to issue a special pamphlet on the subject of *Co-operative Societies and Bribes*, giving in concise form the whole history of the inquiry, and asking for the loyal support of all the societies in its fight for commercial integrity. Copies of this pamphlet, marked

"Private and confidential," were sent to the committees of all the societies within the Union early in 1901,—

"in the hope that the publicity and exposure therein given to some very doubtful transactions on the part of the committee-men and officials of certain co-operative societies may make it impossible for such practices to be continued."

The following resolution was also drafted for submission to the Congress, which was formally adopted at Middlesbrough in May of that year.

"That this Congress declares itself strongly in favour of legislation for the prevention of corruption in trade and commerce, and urges the Government to pass, during the present session, an Act of Parliament which will deal with the evil in an effective manner. The Congress further expresses its conviction that, in any bill dealing with corrupt practices in commerce, it will not be satisfactory unless the person offering or giving the bribe, as well as the person soliciting or receiving it, is made amenable to the law."

Nothing, however, has yet been done to strengthen the law in this direction, though the question was again raised in the House of Lords by Earl Grey. But although the Lord Chancellor did not encourage the hope of any immediate legislation, Earl Grey's eloquent speech is in itself a complete vindication of the policy adopted by the United Board. He said:—

"My excuse for pressing this question upon the attention of your lordships arises from the fact that I have been requested by the Co-operative Union, which is a voluntary union of about 1500 societies with 1,700,000 registered members, to impress on your lordships and on his Majesty's Government the importance of dealing with this question without loss of time. I have gladly consented to ask this question on their behalf, as my own independent researches have absolutely convinced me that the interests of the honest trader, no less than those of the individual working man and of the private soldier, all demand that the endeavour to obtain trade by giving secret commissions should be constituted a criminal offence and punished by imprisonment. . . .

. "As your lordships, who are conversant with the co-operative movement, are aware, although the 1500 co-operative societies are affiliated to a central organization which is able to buy for them with all the advantage that attends purchases in large quantities and for

cash, yet the movement is so constituted that each separate co-operative society is an independent unit, and they have the fullest freedom of action as to the quarter from which they shall obtain the supplies required for their members. It is their duty to buy the best goods they can obtain in the open market.

"Well, without admitting for one moment that the standard of trade morality is lower in the co-operative movement than outside—indeed, I believe it to be higher—it must be obvious that this freedom on the part of the co-operative societies to deal where they please exposes the local buyer to the temptation which assails him in the shape of the secret commission, which he can receive if he will use his opportunity to purchase the articles required for his store from the firm offering the commission. It is well known that where secret commissions are the rule, it is impossible for the honest trader, who gives no commission, to compete against the unscrupulous firm that does; consequently, in the opinion of the 1,700,000 co-operators, who represent the largest industrial organization in this country, it is desirable, both in the interests of the individual working man and of honest trading, that no time should be lost in making it a criminal offence to offer secret commissions. . . .

"It is because I am convinced that the system of secret commissions is prevalent in English trade from top to bottom that I venture to press upon the noble and learned earl upon the woolsack the importance of reintroducing his Bill for the Prevention of Corruption in Trade, and of passing it into law as quickly as possible."

Meanwhile the Union's confidential pamphlet has found its way into the public press, and the impression has got abroad that fresh complications have arisen, though, in fact, the disclosures contained therein were not of recent date. Some of these public comments, however, were sympathetic and to the point; as, for instance, an article in the *Spectator* for June 22, 1901, from which the following extract is taken:—

"We believe that public opinion is with the resolution of the Co-operative Congress as to the requirements of legislation on this subject. But we gravely doubt whether it is in the enactment of such legislation, however searching and severe, that the best protection lies against the abuses which have been found to exist. The fear of detection would certainly operate to some extent as a deterrent, but offences of the class in question are peculiarly hard to detect, and to prove, even when the presumption of guilt is strong, and juries would be sure, as a rule, to exact a very high standard of proof before they convicted

persons brought before them on such charges, and to take also the strongest precaution against the risks of blackmail and false accusations. Surely, then, it would be well for co-operators generally to consider whether the very simple remedy of a substantial increase of salaries to all officials placed in positions of considerable responsibility would not operate much more powerfully in aid of clean-handedness than the enactment and enforcement of punishments for the giving and accepting of illicit commissions. In the case of co-operative stores in mining villages, for example, it is, perhaps, not unnatural that the bulk of the members should think that the business of the manager is more agreeable and less fatiguing than their own, and that, therefore, he may reasonably be content with their wages. But, thinking so, they do not realize the stress of temptation coming to a man when, it may be repeatedly, he is offered the chance of otherwise unattainable comforts or luxuries, for himself or those dear to him, at the price of taking action or giving counsel, which in his belief may be very nearly as favourable to the interests of his society as that which he would take, or give, if he decided independently of such inducements. It would make very little difference to the dividends of even a small co-operative store if the manager got half as much again as his present salary. It might make all the difference to him, by turning the balance between the strength of the influences making respectively for probity and for corruption. The same line of thought is capable of application elsewhere in the co-operative system. The salesmen, indeed, we believe, are generally paid at very much the same rates as persons in corresponding positions in private employment. Some of the officials in very important positions, again, are paid really good salaries, removing them, if of normal strength of character, beyond the reach of seduction. But the majority of the higher officials of co-operative societies, unless we are much mistaken, obtain substantially less remuneration than their qualifications would secure for them in the open market. Many of them are content that it should be so. They are the children of the movement. They have grown up in it, and they are glad to give their services, at a lower rate than they could command outside, for the satisfaction of advancing the cause, and the honourable distinction of being recognized as among its valued and influential supporters. But there must be many on whom such motives do not operate with any special force, and who, while of average honesty, must feel severely the pressure of the temptations abounding in the system of secret bribery under which so large a part of the business of the country is carried on. While, therefore, we applaud every effort of the leading co-operators to hunt out abuses, and to further needed legislation

against corruption, we trust that the question of an upward revision of the salaries of responsible posts will be carefully considered. In expressing this hope, we are sure that we should have had the support of many of the most powerful promoters of the co-operative movement who have passed away. The co-operators must remember that they are not morally justified in paying small salaries to men exposed to great pecuniary temptations. Morally dangerous work should be paid, like all dangerous work, at special rates."

The last sentence sums up the whole situation, and should commend itself to the good sense of all who have the truest welfare of the movement at heart. But what can be said in defence of such advertisements as these, which appeared in the *Co-operative News* on January 18 and February 22 of last year?

"Wanted, a smart active man as grocery and provision salesman to take charge of branch shop. None but competent men need apply. Wages to commence 23*s.* per week."

"A man wanted to bake and deliver for small village store, married preferred. Wages £1 per week."

The co-operative movement is supposed to set its face against sweating, and no doubt does so effectually up to a certain point; but this is probably due, not so much to the spontaneous action of the societies, as to the fact that in certain departments where labour is well organized trade union conditions can be readily secured. It is quite evident, however, that there is still great room for further improvement, and that the Amalgamated Society of Co-operative Employees will find it hard work to obtain the general recognition and adoption of their modest scheme of minimum wages, as proposed in 1897—

"(a) No member over twenty-one years of age to work for less than 4½*d.* per hour; equal to 21*s.* per week of 56 hours.

"(b) Second counter-men to receive not less than 5*d.* per hour; equal to 23*s.* 4*d.* per week of 56 hours.

"(c) First counter-men to receive not less than 5½*d.* per hour; equal to 25*s.* 8*d.* per week of 56 hours.

"(d) Branch managers or shopmen-in-charge to receive not less than 6*d.* per hour; equal to 28*s.* per week of 56 hours.

"(NOTE.—Payment by the hour is recommended as an incentive to reductions of working time by societies whose hours are excessive)."

This scale applies to male assistants in grocery, drapery, butchery, furnishing, tailoring, confectionery, and other distributive departments, but does not touch the all-important question of salaries. Managers and secretaries are left to make the best terms they can for themselves, though there can be little doubt that the intelligence, experience and character required for such posts are too often undervalued and underpaid. We hear, for instance, of a secretary, who has been twelve years with a society doing a business of over £50,000 a year, receiving 37s. per week; a grocery manager, whose turnover is £60,000, at 42s. per week; a cashier, who handles nearly £4000 per week, at 40s.; a secretary to a society doing a trade of £264,000 per annum, at 60s. per week. And similar cases might be multiplied to illustrate the inadequacy of the remuneration often given to those occupying positions of trust and responsibility. No doubt, high salaries do not absolutely ensure integrity in all cases; but low salaries certainly increase the risk of temptation, and those who offer them cannot count themselves free from blame should irregularities occur. A policy of generous treatment of servants is sound financially as well as morally.

With regard to the defects of committeemen, it is mainly a question of education; it is only where gross ignorance of the elementary principles of co-operation exists that they can be bribed and bought. Yet it is a deplorable fact that in many quarters the educational side of co-operation has been neglected or utterly ignored. Co-operation is always seen at its best when the educational department is liberally financed, and a vigorous propagandist work is being carried on. An intelligent membership will mean an increasing demand for co-operative productions, and a system of preferential dealing with the wholesale and co-partnership societies will lessen the risks of temptation which are to be encountered in the open market. In this way the tradesmen's attempt to boycott co-operation at St. Helens will make for good; for there, at any rate, no suggestion of bribery can come in, since all who supply goods to the store are placed under a ban, and while the society is

being fought, co-operative production will reap a larger harvest. Indeed, if the lesson is thoroughly laid to heart, we shall in future hear fewer taunts levelled against corrupt practices in the co-operative system of trade.

E. F. FORREST.

## THE PRESENT POSITION OF THE NEW TRADES COMBINATION MOVEMENT.

**I**N the weekly article in the *Birmingham Daily Post*, dated January 31, 1903, on the "Trade of the City and District," it was stated that—

"the weakness and uncertainty of the copper markets, combined with the slackness in the shipbuilding industry, is adversely affecting business in the metal rolling and brass tubes and wire branches, in which manufacturers complain that they are working for nothing, owing to the severe and reckless competition."

The three industries—not always separate—to which the *Daily Post* refers, and which are almost indigenous to Birmingham, were some three years ago all working under what was termed the "New Trades Combination" system. The principles of that system, and the methods employed, were explained in a series of articles in this *Review* by the author of the scheme; and to these articles, those who are interested in, but uninformed about, the subject may be referred.<sup>1</sup> There were at that time several trades working under this arrangement, and all were obtaining a good, although only a fair profit. There was seldom anything to complain about, so far as the volume of trade was concerned; the workmen were getting good wages; every trade dispute was settled amicably; and the danger of strikes was absolutely removed except in vindication and support of the scheme itself. The trades mentioned above, however, were only secondary to the industry in which the idea was first tested—the metallic Bedstead trade, to which the originator of the scheme belonged. This trade, after nine years of unexampled prosperity under the new method, resolved to forsake its new love and return to the

<sup>1</sup> Since published in book form. [96 pp. Crown 8vo. 2s. Rivingtons. London, 1899.]

old. Its example was followed by one trade after another, until to-day only the china furniture and electrical fittings trades are still left to demonstrate that common sense is as potent an influence in the manufacturing world as it is in every other department of human life. The result of giving up the scheme is very tersely given in the extract from the *Daily Post* already quoted, and may be justly applied to all the other trades which have forsaken the scheme, and especially to the metallic bedstead trade.

Taking it for granted that the trades which adopted the new scheme had been up to that time in a very bad way (which has never been denied); that they did well while it was in force (as statistics could easily prove); and that those which have forsaken it are now as badly off as they were at first (as the most bitter opponents of the plan are now compelled to announce week by week), it is a very natural question to ask—"Why was the scheme ever given up by any trade, or, if given up foolishly, why is it not restored?" The present article is written for the sole purpose of answering this question.

For the sake of those who may not have read any of the earlier accounts of the movement, it may be well to mention the fact that the new scheme received the outspoken support of eminent public men, such as the Right Hon. Joseph Chamberlain, the late Mr. William Woodall, M.P., and Sir James Smith. It should also be observed that attention was frequently called to the fact that only one of the many trades which formed associations according to the new principle consented to adopt the plan in its entirety: and, therefore, the present state of the movement has a peculiar significance. The particular association which accepted the complete scheme, and which controls two allied trades, has been in existence over eight years—i.e. about as long as the Bedstead Association lasted—and is likely to continue. Moreover, it has not developed any of the signs of decay which marked the last two years of the Bedstead Association. Any one, therefore, who may wish to examine the system in active operation after the practical test of several years has the opportunity at his disposal.

The great interest, however, both in this country and abroad, which was felt in the Bedstead Association has tended to obscure the importance which belonged to the other formations; and as the rise, progress, and decline of this association offer the best illustration of the difficulties which beset the movement, it may be well to confine this article almost to this one trade. The Association was soon formed after one year of preparation; it succeeded for a period even beyond the sanguine expectations of its inventor; and it was laid on the shelf in a few hours when the climax brought about by various causes was reached. It would be somewhat difficult to decide which, out of several obvious reasons, was most responsible for what eventually happened. At all events I shall be content to explain these reasons, and leave the reader to decide upon their relative importance for himself.

It should be kept in mind that the scheme as proposed included the following provisions—

1. That the workpeople—having received their full share of the benefits of the scheme in the way of a better arranged scale of wages, and a bonus upon these wages in proportion to any advance in selling prices, and having secured in addition the formation of a wages and conciliation board, which was intended to, and always did, prevent any open quarrel between the employers and employed who were members of the alliance—should on their part help to keep the alliance intact by refusing to work for any employer who broke his pledge and deserted his colleagues, or was expelled from the association.

2. That half the expense of such action on the part of the workpeople should be furnished by the employers.

3. That, during the time any workmen were out of employment in consequence of such action, their weekly payment should consist of the amount which would have been paid to them by their own union in accordance with its regulations, if no alliance had been in existence—that is, what is commonly known as “strike pay.”

4. That such men should accept situations with loyal employers when vacancies occurred.

But in view of the fact that the bedstead trade is a very elastic one, owing to the endless possibilities in the way of new patterns and designs open to each manufacturer, it was felt that, with a strong association, able to command good selling prices (to be determined by precise calculations as to actual cost of production—which formed an important part of the scheme), it was possible to go much further than the original plan proposed, in the following directions :—

(a) To be generous in fixing the rate of wages to be paid for the making up of any new design, or new article, which might be introduced *after* the formation of the alliance.

(b) To pay the workpeople, who were out of employment owing to their support of the general policy of the alliance, *full wages* instead of ordinary “strike pay.”

There was, of course, much to be said in favour of both these departures from the original scheme. It was, after all, purely a question of loyal generosity, although by many members it was also regarded as a profitable and safe policy. There can be no doubt now that strict justice, rather than a large generosity, would have answered better, and that the workmen ought to have been called upon to make some personal sacrifice in their defence of a system out of which they were making at least forty per cent. extra wages. Moreover, the policy was unwise and inexpedient, if it were only for the fact that it gave the workmen too high a notion of their own importance, and so led them unconsciously to kill the goose that laid the golden eggs.

It will easily be seen that the difference between the original proposal and the plan finally chosen was of the highest possible importance. So long as loyalty prevailed in the camp, nothing mattered. There were no defections on either side, and, as no strikes occurred, there was no need to pay wages for merely marking time. But human nature is the same in trade combinations as in everything else. The new system had been introduced because all former attempts at unanimity in this trade had failed; they died almost as soon as they were born, because of the fact that for every honest man who will

not take advantage of his competitors while under a pledge there is at least one who will. The new scheme provided for this. It established a system of close investigation into charges or suspicions of disloyalty, from which it was difficult to escape. Defaulters were detected, and suitable penalties were imposed, which, if not paid, were followed by expulsion from the association. A person expelled in this way became subject to the terms of alliance, to which he had agreed, one of which was that his workpeople must leave his employment. But when the workmen gave up their job they had to be paid, and the decision to pay them full wages instead of only strike pay began to be a heavy tax upon both the employers and the workmen's associations. Not only was the pay double what it ought to have been, but there was also the difficulty of getting to know what wages the men had actually been earning before the strike. Naturally their former employer would not tell, and just as naturally the men made the best bargain they could for themselves. They had to be trusted, and confidence was often abused. Nothing like this could have happened had the conditions of the original scheme been accepted. As it was, the burden grew until it was clear to every one that it would, sooner or later, become too heavy for the trade to bear.

However, the Bedstead Association could afford to pay a great deal. The ordinary turnover of this trade represents a considerable amount, and the profits at that time were good; and, if the fight against disloyalty had proved successful, the bill could easily have been paid in the end. But, as it happened, the association was not always successful, for which there were very good reasons.

When the association was first formed, it was joined by about nine-tenths of the trade. If the original scheme had been adhered to, every individual member would have retained a free hand as to his own selling prices until the other tenth had been absorbed. But in this, as in every other of these combinations, it was decided to begin operations without waiting for stragglers. That this was a fatal mistake was soon apparent, particularly in view of a further weakness. If all the employers

could not be persuaded to join the movement, how could it be expected that all the workmen could be induced to join the alliance? As a matter of fact, they could not all be induced to join. Many went with their employers whichever way it happened to be. Some had held the same situation all their working lives; some had family connexions with their employers; some were too timid to adopt any drastic course, and no doubt a few objected to trade unionism altogether. Added to these were the incompetent and the unsteady, who were not worth employing at any price, and whom even the workmen's union would not accept as members. But all these were available, if defaulting employers were content to put up with them, as, in fact, they were.

It will thus be seen that the Association was really launched before it was quite ready; in other words, the company went to allotment before all the capital was subscribed. The author of the scheme wishes to take his fair share of blame for this, for he no doubt gave his consent finally to nearly every step taken. But he wishes to emphasize the fact that to charge the original scheme with the consequences which followed upon a serious departure from it would be neither sensible nor just.

On the other hand, the fact that the association lasted so long, and did so well during the period of its existence in spite of all difficulties, proves that there must have been something in the system far and away better than in any other plan which had previously been submitted to the test of practical experience. Moreover, it is clear that, since the alliance has been laid aside, no one has been able to propose a better or so good a method to secure fair selling prices for the manufacturers, or such good wages for the workmen. If the *Daily Post*, which perhaps did a little towards breaking up these associations—for it never endorsed the principle and methods of the scheme—has now to inform its readers that manufacturers are “working for nothing” who under the scheme made good profits, we may be sure that the general conditions of the trade are in a very bad way.

During the last year of its life, the Bedstead Association had to contend with nine or ten outside competitors. Some were

small, and therefore only hampered those of the same class who were still loyal to the alliance; some were much larger, and more or less affected every firm in the trade; and on account of the large number of workpeople who are employed in a bedstead factory, and of the excessive payment made to the men who were out of work, the money which had to be found for this purpose began to frighten some of the members. It is, nevertheless, true that even then the profits they were making made it worth their while to continue the fight; but some of them thought but little of the trade profits and a great deal of the special levies, consequently they have since had to confess that, in order to save the payment of some hundreds of pounds in levies, they have lost as many thousands of pounds in profits. Finally, when the existing defaulters were joined by the largest maker in the trade, it was found impossible to continue the struggle, and the association was formally disbanded.

With a few variations the above review of the Bedstead Association would apply to all the other associations which made a fair start, but eventually gave up the scheme. In addition to these, several unsuccessful attempts were made to introduce the new system into various other trades, which its opponents have not scrupled to brand as failures of the scheme itself. But, in fact, owing to what had happened in the bedstead trade, these trades were advised not to start until all their competitors had joined the proposed alliance, and all the workpeople were under a pledge. But, as they were for the most part very large industries, the difficulties were enormous, and even the most enthusiastic lost heart. Here, again, it was not the scheme that was to blame, but the prejudices of those who could not be persuaded to adopt it. At all events, it cannot reasonably be said that the system has failed where it has never even been tried; and, as already mentioned, where it has been fully and fairly adopted in its original completeness it is still in active operation.

It may perhaps be interesting to those who welcomed, and still believe in, the principles of the movement to know just what the inventor thinks about it now, and what are the

lessons he derives from the practical experience of its operation. It may be said, then, first of all, that never for a moment, during the brightest days of the movement, did its author doubt that it had to pass through trying times, or that it might be left to others to prove that this method of conducting business is both sound and practicable. Its remarkable success for many years went far beyond his most optimistic expectations. But to launch a new idea upon the world is one thing; to demonstrate its real practical value in one short lifetime is another. To remove the prejudices of centuries, to sweep away the deep-rooted traditions which have grown up with a nation's prosperity, to induce the "lion" to lie down with the "lamb," and to make everybody believe that, whether honesty is the best policy or no, every one ought to be honest—all this constitutes a huge and difficult task, more particularly as it has to be brought home to the materialistic instincts of ordinary business men who are determined to "get on" somehow at anybody's or everybody's cost. Education is always a slow process in England, and it is part of our general reputation that we do not treat our reformers very generously. At any rate, one of the most difficult things in the world is to convince business men in England that what was good enough for their fathers will not be good enough for their grandsons.

But, on the other hand, the founder does not entertain the slightest doubt as to its final triumph. If England is slow, it seldom makes a mistake in the end. It does not like reforms, for they seem too disturbing; but it will have them, for all that, in the long run. Every new idea gets its fair chance some day. The brain in which the idea first arose may have long ceased to think, but the idea will force its way into other brains, and will be able at last to claim its own.

As for the lessons to be drawn from the experience gained, there are none but those which appear on the surface. There is the lesson of patience, hard to learn, but very essential; and there is the question as to how far it is possible to make the "lion" lie down with the "lamb," which is not so difficult to answer as may appear at first sight. The real difficulty is to

find out which is the "lion," and which is the "lamb," in regard to which there is much that we have yet to learn.

The obstacles which lie in the way of any attempt to revive the alliance may be briefly stated. In the first place, although some of the manufacturers would be glad to see the scheme restored, it is evident that even a large majority would run a considerable risk in taking such a responsibility upon themselves. The minority left outside would have a free hand, and might again prove to be an absolute bar to success. It would be even more hazardous for any individual to take the initiative in this matter. The greatest enthusiast in favour of the scheme would need to be a hero to take any active part in trying to reconstitute the association. He would at once find competitors eager to take such an opportunity of securing some of his customers by telling them that "Mr. So-and-So is trying to raise selling prices." It is true enough that some of the customers would be ready to welcome another association. It would increase the value of their stock, and also send up the value of their turnover on which they make a percentage of profit. But there are many other retail dealers whose chief aim is to buy as cheaply as possible, and to sell for next to no profit in order to beat their neighbours.

Another standing difficulty is the weakness of the workmen's organization, and the general apathy of the rank and file. Never before had workmen such a splendid opportunity of improving their industrial position. A large majority, it is true, used it to the best advantage, but a minority would not be loyal, and the union had no power over them. The manufacturers, forgetting that they had been unable to bring in by persuasion all their own competitors, made loud complaints because the workmen's union failed to include all the workpeople. But all they had a right to insist upon was that the union should do its best, which probably it did. But its failure to secure a complete and effective organization gave those employers, who never will have any arrangement with their workpeople if they can help it, the chance to raise their old cry, which had been lulled for a time, viz. that the workmen are of no use for joint action,

since they would always think only of themselves. That they had some justification for this suspicion must be frankly admitted. At all events, these employers are now looking for another kind of association in which the workmen's interests will not be considered. Such an event would be a serious misfortune for the trade as a whole ; and for my part I shall continue to hope that necessity and expediency may in time bring about a truer appreciation of the principles of justice and humanity.

E. J. SMITH.

## AN ARBITRATION TREATY WITH FRANCE.

THE various little troubles affecting our relations with foreign nations that we have passed through during the last few months, and indeed the last few lustra, are likely to have revived in many of us a longing for some more settled state of things; and we should be disposed to lend a ready ear to a message heralding such an event which opportunely comes to us from France, backed, so to speak, with the signature of practically the whole commercial community of that country. For a considerable time past we have again and again been made to think of war as a possible contingency. Diplomacy has, happily, more than once arrested the thunderbolt, so to put it, in mid-air; and in this way the crises about Siam, Fashoda, and the Venezuelan boundary have passed without doing actual harm. That is so much to the credit of diplomacy. However, satisfactory as the result is on the balance, there has several times been the more or less mortifying reflection to gulp down with it that peace had to be purchased by the sacrifice of some right or other—say in Eastern Asia—which we should have preferred to see maintained. And we know that the spring and source of all this recurring mischief has not by any means been staunched. Those “vast ambitions” which nearly a generation ago alarmed Lord Beaconsfield continue to be cherished, and often pursued—as memoirs of leading statesmen, since published, and other revelations have made clear—with an utter absence of scruple. The “bloated armaments” of the same day have grown bigger, and have been extended from land to sea. And as for the bulwark of good will among other nations, which we were supposed to have built up by our upright policy, the Transvaal war has taught us, in a manner that there is no mistaking, that we have no right to trust to that defence.

The prospect, then, of an agreement to be concluded with, at any rate, one of our great warlike neighbours, should find us in a willing state of mind, all the more since the method by which it is to be secured has nothing in it calculated to make us in the least suspicious. It is, in truth, our own British handiwork coming back to us in the most approved form. That method was carefully worked out, examined, discussed, and in the end heartily approved by our own statesmen and their American brethren, at a time when the two countries had seemed on the verge of war over that perpetual mar-peace, Venezuela. And it was given tangible shape in that unfortunately still-born Draft Treaty of 1896, which, for want of just four favourable votes in the American Senate, failed to become of binding force. The late Lord Pauncefoot and Mr. Olney—and others with them—may, in their disappointment, have been tempted to cry out over this in the words of the old Roman proverb, “*Senatores boni viri, Senatus autem mala bestia.*” The result was indeed annoying. But we know very well that, though shelved for a time, the proposition cannot possibly be permanently lost. “*Chose différée n’est pas perdue.*”

In the mean time we have all the more reason to bestir ourselves in another quarter, in which peace does not appear quite as much assured as fortunately, apart from an occasional family tiff, it may be said to be with our cousins across the Atlantic, but in which, happily, at the present time there seems an excellent prospect of making it secure. Our past history in connexion with France is in the main a history of wars. And the ghost of war has been stalking weirdly about between us within a very recent period. A little more anger about Siam, a little more resistance about Fashoda, might have clothed the ghost with flesh and bones. We have both rather exalted notions about our own national dignity and the necessity of defending our national honour, and are very apt to take offence. And some among our neighbours, *teste* their own countryman, Edmond About, habitually wear “their head dangerously near their cap”—this is a French saying,—“and their hand near their sword-hilt.” That is not really all. For on the chessboard of European

politics, with its reflex actions and alliances, double, triple, and quadruple, on which France stands as a central piece, we might almost any day be dragged into a war with our neighbours, by indirect means, just as a trade union, however satisfied with its own employers, may be dragged into a general strike. Some kind of barrier or check, therefore, placing us out of danger, would be a decided boon to us. What an appalling calamity war would be to both countries, which have mutual interests interwoven by a thousand links, M. Cambon, the French ambassador in London, has only recently explained to his countrymen in very apt words. A large commerce uprooted, tens of thousands of workmen deprived of employment, a veritable heap of ruins piled up on either side—that is, in his opinion, the certain outcome. No war has ever been fought under precisely similar conditions. Our watchword, accordingly, may well be: “Provide against this calamity while we can.”

A gentleman, placed in an absolutely unique position for bringing this about, has happily put a most suitable method within our reach. Thanks to his long residence in Paris as an English barrister, for some time chairman of the British Chamber of Commerce in that city, Mr. Thomas Barclay is in touch with as many influential persons and bodies in France as in England. It has struck him that the Treaty which the American Senate rather unceremoniously rejected in 1897 might very well be put to good use between England and France. Wisely, as will be admitted, he decided to sound France first upon this matter—probably because he thought that our consent would not be difficult to obtain. Oddly enough, the matter presented itself to our neighbours in just the opposite light. Profoundly convinced of their own pacific disposition, they credited us with incurably warlike instincts, which might easily prove an obstacle. It will be for us to undeceive them. Once more wisely, Mr. Barclay addressed his appeal not to politicians, *boulevardiers*, or seekers after the millennium, but to the staid and sober representatives of commerce, with whom his position as ex-chairman of the British Chamber of Commerce secured easy contact. The result must have surprised even him, ardent believer as he is bound to

be in the convincing force of his scheme. Without an exception, the French Chambers of Commerce hailed his proposition with enthusiasm, and voted strong resolutions in favour of it. Their response was, indeed, a chorus of "*Cedant arma togæ!*" And it will have to be borne in mind that the French Chambers of Commerce, as legally recognized public bodies, elected under a certain law and authorized even to levy compulsory contributions, are really more fully, or, at any rate, more authoritatively, representative than our own. The general result, then, is that we have commercial France, the France of material interests—which in the long run everywhere govern policy—distinctly committed to an acceptance of the proposal. It remains for us to say what we think about it.

It may be well now, just for a brief moment, to look at the proposal submitted for our consideration—remembering that in its original form it was warmly approved, not only by its authors, Lord Pauncefoot and Mr. Olney, but also by other eminent men, such as the late President Cleveland and our own Lord Chief Justice,—and to ascertain its import and its meaning, and also the particulars in which it differs from those older forms of arbitration which have thus far held the field, but have somehow failed to give satisfaction.

The proposed treaty is the Treaty of 1896 over again, with only the word "France" substituted for that of the "United States." It provides for a permanent acceptance of arbitration between the two countries, on lines differing rather materially from those hitherto recognized, whenever arbitration has been resorted to, and still recognized, in a slightly modified form, under the Hague Convention. We have burnt our fingers just a little over the old method of arbitration, and are therefore not unreasonably a little shy of resorting to it without urgent need. In 1872, certain arbitrators nominated by Italy, Brazil, and Switzerland, as their published "judgments" show, turned the facts of the Alabama case topsy-turvy, inverting their order and misinterpreting their meaning, and so arrived at a sentence mulcting us in very heavy damages, which appeared to us altogether excessive, if not unjust. At pretty nearly the same time, the first Emperor William,

possibly without overmuch deliberation, adjudged, as sole arbitrator, the island of San Juan, which we believed to be ours, whole and undivided to the United States. In these matters it seems to be a foregone conclusion abroad that England must invariably be made to pay or to lose, just as a railway company invariably has a case for damages decided against it before a British jury. We are supposed to have plenty to spare; "splendidly isolated" as we are, there is no alliance for aggrandizement or vengeance to be got out of us; and we bear our mulct meekly, without showing resentment.

That, however, is merely incidental, applying purely to ourselves. Evidently there is something more generally objectionable in the old-fashioned system of arbitration. For foreign nations show themselves just as chary of resorting to it as ourselves—witness the remarkable reluctance exhibited during the Venezuelan negotiations. That "something" may be summed up in the accepted presumption, strongly borne out by the two judgments of 1872: that the tribunal created, whether it consist of one great potentate or of a bench of judges appointed from different countries, will not bring to its task all the competence that is required for the purpose, and is therefore not in a position to command full confidence. Such presumption is inseparable from the foundation upon which the whole structure of this kind of arbitration is built up, namely, that of *in foro alieno litigare*, which has had a bad name, as the proverb proves, from Roman days downwards. The arbitrators may be most upright men, great luminaries of jurisprudence in their several countries, and all that. But they cannot possibly possess a sufficient familiarity with the laws of the several nations to be heard as suitors, with their usages, their traditions, and all those "imponderabilia," as Prince Bismarck was fond of calling them, which consist of *amour propre*, and ever so many other things which cannot be ascertained by mechanical means or put down on paper. In the Geneva judgment the president, Count Sclopis, even showed himself wrong in English geography. And consequently justice, according to the proverb, turned out to be a very *exigua res* indeed.

In what way different applications even of one particular kind of law may affect issues, and what misunderstandings may arise from this, was very distinctly shown in the Venezuelan negotiations over the question of preferential rights. The German bankruptcy law allows preferential rights to judgment creditors. The Germans accordingly considered themselves to be thoroughly within their right in demanding them, and would be satisfied with nothing less. The Americans, having, like ourselves, a different law, looked upon this as a characteristic specimen of German "grab," and cried out in indignation. Another very serious objection is not rarely found to be that the arbitration is almost necessarily conducted in public, as regards the main features of the result, however secret the judges' rulings may be kept. In this way it is proclaimed to all the world which side has been made to give way and has, so to speak, been defeated. No nation likes to put itself in such a position. It deserves to be noted that the Hague Convention has altered very little in this state of things.

Whether the peace-loving Czar might not have furthered the great cause which he appears to have warmly at heart very much more by other means than that of setting up a new international tribunal, namely, by turning adrift a substantial portion of his army, which is now eating the very marrow out of his country, is a question that we have not now anything to do with. His empire is the one great Power which can, or could, afford to do so, because it has absolutely no attack to apprehend from without. Its own huge area is a defence keeping all at a distance. Laveleye has shown that, in the same way, Napoleon III. might probably have averted altogether the *année terrible*, had he, in 1866, upon the formation of the North German Federation, deprived Prince Bismarck, by partial disarmament, of the one pretext by which the consent for the creation of a German monster army could be wrung from a not very well affected Parliament, most inconveniently variegated in its composition. But this by the way.

The Hague Convention pledges its signatories to the principle of arbitration. Such paper pledge may possibly not be worth

very much. But in itself it is a gain. And the Convention creates a court which may always be summoned to hear cases whenever there are suitors. Unfortunately those suitors appear slow in coming forward. The new court is, in truth, rather shirked than sought, precisely because in its present form it still perpetuates the old familiar defects inherent in the *forum alienum* which discredited arbitration before.

Evidently, if real good is to be accomplished, there must be machinery brought into play of a different sort—machinery which avoids the defects indicated. Such machinery, of what appears to be a very perfect description, the late Lord Pauncfote and Mr. Olney have, with creditable resource, succeeded in devising; and that same machinery Mr. Barclay is now urging both England and France to apply between themselves.

The new method very successfully gets rid of the *forum alienum*. To bring this about, its authors necessarily had to restrict the area of jurisdiction. But the advantage thereby gained is that, within such a smaller area, the method ensures very much greater efficiency. The judges called in to adjudicate are no longer to be “a Swedish count, an Austrian baron, and an eminent jurist from Venezuela,” as it was humorously put in Mr. Greenwood’s *Pall Mall Gazette*, but men of the very countries between which there is a difference to settle, appointed in equal proportions, and in such number as the case may appear to call for—men, one half of whom are certainly sure to be familiar with the laws, usages, language, considerations of *amour propre*, and all the other “ponderabilia” and “imponderabilia” of the case—who will thus be well able to explain all the circumstances to their brother judges, and to ensure by discussion some sort of satisfactory settlement. Even without the special proviso introduced into the treaty, it is certain that the choice on either side would be made among the most capable men of the country, for that must be to each country’s own interest. An umpire, to be elected by the two halves jointly, completes the court.

Now, here, in the first place, is a tribunal created which undoubtedly promises to prove equal to its task, and to which

either side may with confidence commit its case. Ultimate agreement is, perhaps, only probable. We shall have to trust to sweet reasonableness and self-interest for that. But the apparatus will certainly be competent and suited to the case. Here also is a Court which may, whenever occasion requires, sit "with closed doors," revealing to the world in the end what has been settled, but sparing the *amour propre* of the yielding side by concealing how that result was arrived at, and thereby extracting from the settlement the sting of "defeat."

That is one point. The next is of even greater importance, more particularly in respect of ulterior consequences. The proposed treaty pledges only two nations. But it pledges them *absolutely* to have recourse to arbitration in the event of any international dispute. It does not leave it open to them to apply to the court created or not. It cannot, of course, be pretended that this will absolutely banish war. Any treaty may be broken or else discontinued. And, apart from that, provocations may be given which, in spite of all safeguards, make resort to arms unavoidable. But, in the words of President Cleveland, the treaty promises to make the danger of war within the area of its application only "remote." It modifies completely, so to speak, the atmosphere in which the two nations live, freeing it from the latent electricity which brings about thunderstorms. It applies its remedy at a point of the disease anterior to that of positive mischief, and bids fair to prevent what other arbitration can at best only hope to cure. The treaty creates a direct presumption in favour of pacific methods. And in such matters presumption counts for a great deal. For, as a rule, nations do not go to war because the cause, upon calm consideration, proves to justify such a course, but because at the time, in their heated state of mind, they are under the delusion that no other course is open to them, consistent with self-respect. Now, this being so, the substitution of a state of things which tends to wean nations from the thought of war—at any rate otherwise than as really a last expedient—may be expected to prove of unspeakable value, just as the legal and social tabooing of duelling has proved a specific remedy in England with regard

to individuals. Once more, to quote President Cleveland, the treaty may be expected "not only to make war a remote possibility, but also to preclude those fears and rumours of war, which, of themselves, too often assume the proportions of a national disaster." Nations will realize more fully than heretofore that pacific methods are open to them, and are preferable in their own interest; those actually engaged by the treaty will in any case have to try peaceable methods first, and war may accordingly be expected to become relegated to its proper place, as the *ultima ratio* indeed, but, if possible, to be avoided.

Moreover, under this aspect, effects may reasonably be looked for in a very much wider sphere than that mapped out by the treaty, or in which the older sort of arbitration could hope to exercise any influence. For other nations, not yet bound by the same obligation, will have an object-lesson set before them, from which it will be odd indeed, in view of the advantages offered, if they fail to learn. For one thing, if we now conclude our Arbitration Treaty with France, we may look upon it as certain that the Arbitration Treaty with the United States will not remain long in abeyance.

There are special reasons why such a treaty as has been here spoken of should be particularly desirable between the United Kingdom and France. Quite apart from the greater urgency of the case, as compared with the United States, the new principle will, in this application, be put in force far more in sight of the world, where it has a better chance of gaining converts. Its indirect effect, likewise, is bound to be distinctly greater. For once we are tied to France by a permanent arbitration treaty, for ordinary circumstances France must cease to be a possible ally against us in European combinations and we against her. By how much does that bid fair to restrict the sphere open to great wars in Europe!

Fortunately, also, between ourselves and France the prevailing condition of things is such as to favour, to a greater extent than would be the case with any other European Power, the consummation of this undoubted *desideratum*. For, notwithstanding our past wars, we have both in recent days had occasion to

realize and appreciate the blessings of peace. It is to them that we are beholden for that enormous growth of commerce and those many friendly relations which, both by their magnitude and their interlacing of mutual interests, bind us together, and make, as M. Cambon has indicated, war so terrible a calamity that in reason it should be absolutely forbidden. Moreover, the prevalence of constitutional rule in both countries has accustomed us both to think of justice—pure, evenhanded justice—as a thing standing by itself, not to be influenced by “reasons of State” or regard for political ends, such as are sometimes allowed to wield dangerous sway in this connexion in some other European States. Once more, in the matter of aggrandizement, we may both be said to have more or less sown our wild oats. We have conquered and reconquered territory from one another in the past. Our earth-hunger and appetite for power may not yet be satisfied. But if we should covet more, we are scarcely likely to covet it from one another. That account seems pretty well settled. Our several possessions and spheres of interest appear fairly “delimited.” And to such extent we may be said to have both accepted the cult of that peace-loving Augustan deity, “the god Terminus.” The general position of things between us, then, is distinctly favourable. There are weighty reasons for both of us why an arbitration treaty should be concluded. And if we can succeed in actually concluding one, it bids fair to prove big with promise of good.

However, our peacemaker’s task is thus far only half completed. It remains to convince the other party to the proposed treaty. And for that the support of public opinion is needed. Only quite recently has Mr. Barclay entered upon his propaganda in this country. It is satisfactory to know that here, as well as in France, so far as his efforts have yet gone, they have proved distinctly successful. Once more he has addressed himself, through the good offices of the Chambers of Commerce, to the commercial community first. It appears to have heard him gladly, and to have yielded a willing and, indeed, cordial assent to his proposition. The demonstrative and favourable reception given to his scheme at the International Co-operative Congress

recently held at Manchester goes to show that the working classes are as fully on his side. And there are not a few men of "light and leading" in the spheres of politics and society who have already enrolled themselves for active work under his banner. With their influential help committees are being formed. The matter can scarcely fail to be brought before Parliament. There is already a talk of the formation of an Anglo-French inter-parliamentary Committee to deal with the question.

There is no actual opposition to be apprehended to the scheme. For there can be only one opinion as to its merits. Certainly the favourers of the Hague idea, who have lately been once more in evidence, have no occasion to treat it as a rival. For nothing could serve better to make the principle embodied in their own scheme effective—for nations who have no arbitration treaty of their own—than such a precedent. There has been much talk during the last three years of a novel crusade to be carried on—a "war against war." Those who favour this idea, even in its most moderate form, should be with the advocates of the arbitration treaty to a man. For in no way can war be levied against war more effectually than by putting a stop to the causes which produce it, and permanently blunting the edge of national animosity, now kept keen by the acceptance of a warlike code of national interests.

However, something more is needed than mere argumentative approval. Time is of moment. The iron will have to be struck while it is hot. Public opinion should pronounce itself with sufficient force to ensure accomplishment while conditions are favourable. At the present moment, between ourselves and France, there is, politically speaking, sunshine and fair weather, and everything seems propitious. Both nations are ready for the treaty. And, once in force, it might undoubtedly be relied upon to ensure its own endurance by the good results which it may be hoped to achieve, and by the habit which it is likely to engender on either side of the Channel to trust to it and to pacific methods. However, a change may be brought about any day. Clouds may rise up, and bring with them storms and gales,

such as would put the two nations once more for a time at logger-heads. The result would be that the conclusion of the treaty, the laying of the foundation of a hoped-for reign of peace such as would constitute the most precious gift which the twentieth century could bring us, would be inevitably delayed. The matter is of too great importance to be left to the chapter of accidents. We failed in our good object in 1897. It may be hoped that we shall succeed in 1903.

HENRY W. WOLFF.

## THE FISCAL POLICY OF THE FUTURE.

THE position generally taken up by protectionists is, I believe, that the immediate result of the introduction of free trade was an advancement of the commercial prosperity of the country, but that the recent progress made by other nations imperatively calls for a reversal of the system. Mr. G. Byng, writing in the January number of the *Economic Review*, is, however, unwilling to concede even initial success to free trade. He declares that the commerce of the country commenced to decline in 1875, as a result of what he calls the free-trade poison, in process of incubation during the preceding thirty years. Mr. Byng adduces in support of his argument the simile of a doctor and his patient. If, he says, the former—

“were to discover that a change for the worse in his patient’s health appeared simultaneously, and continued concurrently, with a change of habits and mode of life, he would at once surmise that these two facts were connected as cause and effect, and that there was a *prima facie* case for investigation on that basis.”

But would not a doctor also connect as cause and effect a change for the better in his patient’s health, which was concurrent with a change of habits and mode of life? And as there was an enormous increase in the prosperity of the country during the years following the introduction of free trade, there is surely *prima facie* evidence for connecting that improvement with the alteration of the fiscal system.

Whatever policy would have secured the maximum advantage in the past is, however, of merely academic interest. The question to be considered is, Which system is better adapted for present needs? I am in complete agreement with Mr. Byng as regards the absurdity of treating free trade as a fetish, and as something outside the scope of criticism. But it must be borne

in mind that the whole complicated machinery which we call society has grown up on the basis of free trade, and that no radical alteration of policy could be effected without sending a shock throughout the whole system, many of the effects of which could never be foreseen. Changes invariably contain elements of danger, and therefore it is always better to retain an existing system unless a proposed innovation can be conclusively shown to be an improvement; but as soon as such conclusive proof can be adduced, there is no justification, from a national point of view, for continued opposition to the change. The onus of showing clearly that their system is an improvement upon free trade rests, therefore, with the protectionists.

Mr. Byng is very severe upon the leaders of the free-trade party.

"Their stock in trade are," he says, "the tenets of Adam Smith, the prophecies of Cobden, the speeches of Bright and Gladstone, and the theories of Ricardo, Mill, and Farrer. . . . If facts conflict with these theories and prophecies, so much the worse for the facts."

But a spirit of intolerance is by no means confined to the leaders of free trade. If they ignore facts, their opponents often support their arguments by the use of distorted facts, which is a still more serious offence. For instance, Mr. Byng, in discussing the preponderance of British imports over exports, writes—

"At the present time their value [imports] exceeds 500 million pounds. It has been computed that if a duty of 20 per cent. (taking this figure as an average, some articles being free and others taxed higher) were imposed, our imports would drop in due course by 30 per cent., or 150 millions." In his next paragraph, Mr. Byng says, "No one proposes to put a tax upon raw material which we cannot produce ourselves."

1900 was the first year in which imports exceeded 500 millions; they then amounted to slightly over 523 millions. In that year, which may fairly be taken as a representative one, the imports of raw material and tropical products which we cannot, in any case, produce ourselves, amounted to, approximately, 250

millions. Clearly, therefore, Mr. Byng's estimate of 150 millions as the amount of the drop in the value of imports which would follow the imposition of an average duty of 20 per cent. must be very considerably reduced. Moreover, in view of our dependence upon foreign countries for our food supply, British agriculture would not, even under the most rigorous system of protection, be capable of such improvement as to lead to a reduction of 30 per cent. in the imports of food stuffs from abroad; and in the year 1900 we imported articles of food and agricultural produce to the value of 145 million pounds, exclusive of tropical and semi-tropical produce, which has been included in the 250 millions previously referred to. At the risk of being considered a bigot by Mr. Byng, I maintain that the opinions of Ricardo, Cobden, and Mill still hold good in regard to the effect of protection on rent, that the arguments of free traders apply with particular force to the inadvisability of increasing the cost of the food supply of the people, and that consequently any scheme of protection should not, under the existing system of land tenure, embrace food stuffs. If this item be omitted, it will be seen that it is only in regard to some 120 million pounds' worth of imports that the deduction of 30 per cent. would apply. The reduction in the volume of imports would therefore be less than 40 millions.

It is customary to compare our trade returns very unfavourably with those of Germany and the United States. But there is nothing to show that the German trade returns are more satisfactory than our own. In both cases there is a substantial preponderance of imports over exports; but England's "invisible exports"—such as interest on foreign loans, freight on merchandise carried for other countries, and banking commission—are far greater than those of Germany. With its official privileges and facilities for obtaining information, the Board of Trade might, I think, arrive at a very fair approximation of the amount of "invisible exports," and it would perform invaluable service by doing so. However, it attempts to do nothing of the kind, and consequently the returns which it does publish are lamentably incomplete. In the absence of official information,

it is impossible to analyze the value of invisible exports with any degree of accuracy. While it is quite possible that such exports from England may exceed those from Germany by as much as 100 million pounds annually, it is at least safe to say that the excess is not lower than 50 millions. And England's exports, if the latter sum be added to them, bear a higher proportion to imports than do the German exports to German imports. Moreover, the fact is persistently ignored by protectionists that, despite the opportunities which Germans have of "flooding our markets with their goods," despite also the customs barriers which they erect against us, our exports to Germany are well in excess of the value of the goods which that country is able to sell in the United Kingdom. And, more significant still, our exports comprise goods for the manufacture of which there are adequate facilities in Germany. Surely no stronger evidence of our ability to produce more cheaply than the Germans could be desired! The United States have effected considerable repayments of capital during recent years. They are, however, still heavily in debt; and if their exports did not exceed their imports, there would be *prima facie* evidence that they were getting still more involved. There is no doubt that the United States are progressing rapidly; but their capacity for production is so great that it would be surprising if they did not do so. It is, however, worthy of note that the huge excess of exports over imports which the American trade statistics for 1901 revealed was by no means maintained last year.

It is my contention that customs duties increase the cost of production of any given commodity by at least the amount of the taxes paid upon all dutiable articles used in its manufacture; and if this be accepted, it is clear that the imposition of duty would, in consequence of its effect upon prices, render us less able than at present to undersell our rivals in foreign markets, and would thus lead to a diminution in the volume of our exports. Mr. Byng challenges the accuracy of this contention. He says that, if a manufacturer were to pay an indirect tax in the shape of an increased price of an imported article, he might gain a corresponding advantage in relief from income tax, local

rates, or other direct taxation. It is in the highest degree improbable that he would get such a corresponding advantage. A tax on an imported article used by a manufacturer in the course of his business is bound to affect him largely, and the greater his consumption of the imported article the more he has to pay. If, as is sometimes the case, the use of such an article is practically confined to a few manufacturers, it is upon them the whole of the tax devolves. On the other hand, direct taxation is contributed to by a substantial proportion of the population, and the relief from it experienced by the users of the article in question would make small atonement for the concentration upon themselves of the task of providing a revenue which was formerly contributed to by a far greater number of persons. Manufacturers would not, in these circumstances, consent to bear the incidence of the tax, but would take immediate steps to shift it to their customers. But whether the use of an article is extensive or otherwise, the price is generally regulated by supply and demand; and the mere fact of the article being imported is evidence that, to a certain extent at any rate, it can be produced more cheaply abroad than at home. If a customs duty were placed upon it, foreign producers would immediately be put to a disadvantage; the goods which were on the margin of being imported would cease to be sent over, and as the supply of goods placed on the market would be lessened, manufacturers would be quite competent to increase prices. Such an increase would affect home as well as foreign produced goods, and the amount paid by consumers in the shape of increased prices would inevitably exceed the Exchequer receipts from the new customs duties.

The methods adopted by the American trusts of exporting for sale at practically any price surplus goods which cannot be disposed of in the United States without "spoiling the market"—in other words, without stimulating demand by a relaxation of exorbitant tariff-protected prices—certainly renders it possible for protectionists to point to a practical application of their oft-repeated, but until the advent of the trusts fallacious, argument that customs duties may be paid in whole or in part by the

foreign producer. For every instance of this kind, however, a dozen may be cited in which a customs duty takes out of the pocket of the consumer far more than it brings in to the Treasury.

Much of Mr. Byng's argument is vitiated by disregard of the significance of the modern tendency for the supply of capital to exceed the demand for it. As the difficulty of securing remunerative investments increases, there will be a growing pressure of capital in all branches of commerce, and this will necessarily lead—as it has done in the past—to reductions in general prices. To say, therefore, that because the United States had to pay £10 a ton for steel rails imported from England ten years before the establishment of the Steel Trust, the American consumer would, but for the tariff and the trust, still be buying his rails from us at a cost 70 per cent. higher than the present inflated price charged by the trust is absurd; for the Americans had commenced to compete successfully with English steel manufacturers some time before the amalgamation of the great steel businesses in the United States. A chief aim of trusts is to prevent an increasing employment of capital in their own spheres of activity. The obvious motive for this policy is to maintain prices, and consequently profits, at a higher level than would otherwise be possible in view of the diminishing value of capital.

Despite the limitations imposed on capital in trust-controlled trades, it frequently happens that the production of goods exceeds the demand at current prices to such an extent that the surplus could only be got rid of in the United States by greatly reducing prices, and thereby "spoiling the market." In order to prevent such reductions of prices, the surplus goods are sent abroad and sold, after payment of freight, at far lower prices than those ruling in the American market. In support of this statement I append a table which, although copied from an article of my own in the *Contemporary Review* for June last, was originally published in a slightly different form in the *American Free Trade Almanac* :—

Articles.	Quantity exported in 1901.	Value in dollars.	Price in the United States.	Prices abroad in certain instances.
Steel rails (tons)	372,688	10,841,189	26 to 35 dollars (average 29 dollars).	17 to 18 dollars.
Lead (pounds) ..	6,354,924	285,158	4·3 cents.	2½ to 3 cents.
Copper (pounds)	252,769,328	43,267,621	16·4 cents.	15 cents.
Leather (pounds)	35,280,211	21,320,646	—	5 to 10 per cent. less than in the United States.

The figures quoted in the foregoing table are, I think, a sufficient answer to Mr. Byng's assertion that there is no evidence to prove that Americans do, as a regular course of business, really sell us their surpluses at less than cost price, while making their own consumers pay increased prices.

Mr. Byng states that, if our manufacturers were sure of a market for their goods, they would take every advantage of the economies resulting from production on a large scale, and would, in consequence, be able to produce cheaper and export more than under free trade. This is the strongest point that has yet been brought forward in favour of protection. Any one who has a knowledge of the overproduction which is periodic in nearly all industries—except the agricultural—must be aware of the deadening influence upon manufacturers caused by the fear of the production of goods exceeding the demand to such a degree that surpluses can only be got rid of by the adoption of ruinous prices. Everywhere there is a tendency for capital to increase at a faster rate than population. In the long run this is bound to lead to a permanent reduction of prices. But I fully agree with Mr. Byng that the fear of overproduction has a more hampering effect upon manufacturers who have no protected market in which to sell their goods than upon manufacturers in, for instance, the United States or Germany. The cardinal object of free trade is cheapness. And if the imposition of a duty on a particular article would, by rendering British manufacturers secure by a stable market, free them from the fear of overproduction to such an extent that they would introduce the newest methods, make use of the best machinery, and by

the practice of these and other economies resulting from production on a large scale would be enabled to sell cheaper at home and export more than can be done under free trade, a distinct advantage would be derived from the imposition of such a duty.

It is, however, extremely doubtful whether the results would be as anticipated by Mr. Byng; but in view of the great and growing fear of overproduction, the point is of such supreme importance that it is well worthy of the attention of the Government, which might, if the matter were fully represented to it, deem it advisable to appoint a committee of experts to inquire into this aspect of the case, and furnish authentic information on which action might be taken.

When a customs barrier is high enough to ensure immunity to manufacturers from all fear of foreign competition, they will inevitably form themselves into trusts; and, despite all that Mr. Byng has said, I adhere to my opinion that trusts protected by prohibitive duties have it in their power to exact practically whatever prices they choose, and thus to draw into their own hands the wealth of the general mass of the people. Any tax imposed with the object of mitigating the British manufacturer's fear of overproduction would therefore have to be sufficiently low to enable foreigners to compete successfully, in the event of home manufacturers either endeavouring to raise prices, or failing to reduce them in conformity with those declines in the value of capital which are among the most remarkable features of the age.

From the manner in which some protectionists speak and write one would imagine that England's export trade had already dwindled to insignificant dimensions, and that the only antidote is to be found in wholesale protection. Our export trade is, however, still the largest in the world, and is, moreover, nearly twice as great per head of the population as that of any other country of first-rate importance. This result was achieved by the adoption of the fiscal policy best calculated to cheapen production; and England can only retain the foremost position in trade so long as her commercial policy is framed with the object of securing cheapness and low prices. As a rule this result will

be best achieved by the maintenance of free trade ; but if, in any case, the imposition of small duties will lead to still lower prices it should be part of England's policy to levy them. To ensure production at the lowest cost should be steadfastly regarded as the aim of economic legislation. Consistently low prices imply high manufacturing efficiency ; and so long as our factories and workshops are in a state of high efficiency, we have little reason to fear being able to hold our own in future struggles with either American or German rivals. There may be periods when our markets will be flooded with surplus goods sent over from the United States or Germany for sale at very low prices. But such a state of affairs could only exist on a large scale as a result of commercial stagnation in the countries of export, and it would inevitably be followed by losses and destruction of credit which could not fail to have a serious effect on the future efficiency of the countries concerned.

WALTER F. FORD.

## NOTES AND MEMORANDA.

REPORT OF THE MANSION HOUSE COUNCIL ON THE DWELLINGS OF THE POOR.<sup>1</sup>—Things are not as they ought to be, but they are at least better than they were. That is the first and the fixed conclusion to which readers of this report must come. It is no reason for apathy, no justification for the scanty financial support that the Mansion House Council gets from the public. On the contrary, it is reason for heartier and more hopeful work. It brings evidence that, even in the seething mass of London misery, steady, patient, humdrum work does bring results that can be seen and counted, and that even in fewer than the working years of one man's life.

Those of us who, nineteen years ago, in one or another London parish, joined the committees formed by the Mansion House Council—and among the readers of the *Economic Review* there must be many such—can well remember how hopelessly enormous in the mass, and yet how mean and small in detail, the work in hand seemed. Everything was to be done; everything stood in the way of its being done. And there was nothing to do it with.

There were the parish vestries still in power, and "housefather" sitting on more than a few of them. It was not impossible that the very man appealed against might have to adjudicate in his own case. There were medical officers of health, scarcely as yet either trusted by or familiar to the mass of the ratepayers, and liable to be dismissed by the ratepayers' representatives for excessive zeal. There were the people themselves, poorer than to-day, and more overcrowded, harder of belief in good faith and disinterested action. There were a mass of laws, unconnected, unknown, unenforced, sometimes complementary, often contradictory. And the officials, whose business it was to carry the laws out, were far too few, even had they been well qualified. On the part of the public there was blank ignorance, recently stirred into superficial interest by sensational disclosures.

And now the vestries are gone, and the medical officers are better trained, better paid, far better thought of, and irremovable, except with the consent of the Local Government Board. Statistics show

<sup>1</sup> [70 pp. 8vo. 1s. 3d., Imperial Buildings, London, E.C. 1903.]

that, even in the last decade, overcrowding in London has diminished, and that, whereas in 1891 there were 829,555 persons living two or more in a room, there are now, in 1901, only 726,096, out of a larger population. And even these figures do not represent the whole improvement. We were compelled in the old days to allow conditions, both of sanitation and of overcrowding, that would not be allowed by the same landlords or the same workers to-day. Some of us can remember—pitiful though it sounds—when we scarcely thought of a mere two to a room as overcrowding at all. And under better conditions the people are less mistrustful. “The Mansion House Council has been fortunate enough to make for itself the reputation of being a friend of the poorest class of tenants, and to win their confidence.” That there is still room for improvement in the consolidation and strengthening of law and authority, is shown by the correspondence, printed as an appendix to the report, on the unsanitary area known as Nightingale Street, Marylebone, still “inhabited by an increasing population four years after it was condemned by the authorities as unfit for human habitation.” While such things can be, it seems too optimistic to speak of improvement in the carrying out of the law. And yet, though the facts as they stand make a more pointed story, it is better that an insanitary area should be condemned than allowed to stand without condemnation. It at least shows an advance in public opinion. And there are parishes in London where, as the Council itself admits, its work is reduced to a minimum by the efficiency of the sanitary authority. Unfortunately, that is not the case everywhere. It is, however, worth noticing that, whereas there were for the whole of London, in 1885, 85 sanitary inspectors, there are now, in 1902, 294, who are, on an average, very much more efficiently trained than their predecessors.

For much of this improvement we have to thank the Mansion House Council. Some of its work will presumably be done in future by the proper authorities. And it is intended that some measure of reorganization should take place. But the Council holds—and who can gainsay them?—that “there is need for some voluntary non-political body to help in forming and educating public opinion in regard to housing and public health, and to bring influence to bear upon the borough councils in the important questions which arise from time to time;” “to watch parliamentary action also, and generally to act as a bureau of information with regard to such matters.” That is one part of the future work. And, even more than financial support, the Council needs personal service. It hopes to re-establish committees in districts where the early enthusiasm has been exhausted

and they have been allowed to lapse, and to establish committees in those outlying districts where the working-folk have congregated since the Mansion House Council began its work among the poor, and where constant watchfulness is necessary to preserve us from a repetition of all the ills that have forced us to drive the people out of their old haunts.

The Council asks for an income of £800 a year. The work could not be done for the money, except that the Council is able to count on unpaid work, often of experts, often of enthusiasts.

E. A. BARNETT.

THE OXFORD COTTAGE IMPROVEMENT COMPANY, LIMITED.—Now that the question of the housing of the poor is so much in the public mind, the following account of a practical and successful experiment may be of interest.

This Company was formed in 1866, with a twofold object :—(1) To provide better dwelling-houses for the poor ; and (2) to show by experience that such work could be made to bring in a remunerative return. In order that the philanthropic side of the work should not be lost sight of, one of the articles of association provided that no dividend should exceed the rate of 5 per cent. per annum. The capital of the Company was fixed at £6000, divided into 3000 shares of £2 each. It was decided only to make a call of 10s. per share at the outset, and during the first year 585 shares were allotted : the sum subscribed, however, amounted to £434 10s., as many of the shareholders preferred to pay for their shares in full.

A start was at once made by the purchase of a block of five cottages : the purchase-money was £280, and about £130 was spent in putting them into a proper state of repair. As a result of the first year's work, the directors were able to pay a dividend of 5 per cent.

The growth of the operations of the Company was very gradual. At the end of the first five years only 1220 shares had been applied for, and capital to the amount of £2274 subscribed. The directors had, however, in the mean time purchased three other properties, and in one case a sum almost equal to the purchase-money was spent upon repairs and improvements.

In 1873 the directors called in the unpaid capital, and made an appeal to shareholders and others to take shares, and from that date shares were only allotted in full. The capital produced as the result of this appeal enabled the directors to extend their operations considerably, and in particular placed them in a position to acquire some property of a different kind—i.e. some houses of an undesirable character

and with a very bad reputation in one of the worst parts of Oxford. The price asked for this property was considerably in excess of its value; but the difference, amounting to £100, was subscribed by certain public-spirited individuals, who were aware of the mischief caused by the houses, and who were anxious that the Company should acquire them.

It was not until 1885—*i.e.* after nearly twenty years' work—that the whole of the shares were allotted. By this time the number of the tenements owned by the Company amounted to sixty-two. With the exception of one block, the whole of this property is freehold, and has been either of a dilapidated or undesirable character when purchased.

The exception referred to is that of seven cottages, built by the directors in 1885 on leasehold land, in order to show that houses of this description could be erected and bring in a fair return. The cost of the cottages was £1474, and the rents were fixed at 5s. 6d. per week each. Owing to certain expensive work to the foundations, which has been necessary on two occasions, the net return from this experiment has not been as satisfactory as was anticipated—slightly over 3 per cent. on the outlay. The rents of the cottages, however, have not been raised from the sum originally fixed by the directors, although another 1s. per week each could easily be obtained. The directors have preferred to allow the original rent to stand, in order to show that good cottages can be provided at a cheaper rent than is ordinarily charged, and still be remunerative. With this exception, the work of the Company has entirely lain in the purchase and improvement of existing tenements.

From 1895 to 1901, owing to the fact that practically the whole of the capital had been spent, it was not possible to extend further the work of the Company.

Under one of the articles of association, any dividend not applied for is, after a lapse of two years, forfeited and carried to a reserve fund. From the accumulations of such forfeited dividends, and from the dividends on certain shares bequeathed to the Company, the sum to the credit of the reserve fund has now reached about £550. With part of this balance, and with the unexpended capital, the directors have, during the past year, been able to make another purchase of five cottages, bringing the present number of tenements up to sixty-seven.

The work of looking after the property generally is carried out by the secretary and the directors, all of whom are unpaid. The only paid officials are the collector, who receives a commission of 5 per cent. on the rents received, and the clerk to the Company, who keeps

the accounts and looks after matters connected with the transfer of shares, etc.

All rates and taxes, including water-rate, are paid by the Company, and in certain cases a bonus is allowed to those tenants who have been punctual in the payment of their rents during the year. The cottages are kept in a good state of repair, and it is seldom that any of them are empty. The rents are well paid up; *e.g.* at the end of the last financial year the arrears only amounted to about £15 on a rental of about £550.

The working expenses of the Company—*i.e.* for clerical assistance, printing, postages, and stationery, etc.—are very small, amounting only to about £20 a year. On the other hand, the sum spent in repairs is, as may be expected from the nature of the property and the aims of the society, very heavy. Taking the average of the last thirty years, they amount to over 25 per cent. per annum. This is, of course, irrespective of the original outlay on repairs at the time of purchase, which is always charged to the capital account.

At the present time there are about a hundred shareholders, nearly all of whom are members of the University or citizens: ten of them hold a hundred shares or more, twenty-five hold only ten shares, and about thirty more hold only five.

In spite of the heavy charge for repairs, the dividend paid by the Company has only once been as low as 3 per cent. and once  $3\frac{1}{2}$  per cent. Five per cent. has been paid on seven occasions, and the average for the thirty-six years since the formation of the Company is about  $4\frac{1}{3}$  per cent.

There are no mortgages upon any of the property of the Company, and its present financial position is perfectly sound. It can confidently be claimed that the Company has fulfilled the original intention of the promoters by improving the dwellings of the poor, as far as its means have permitted, and at the same time paying a fair return to those who have invested their capital in its shares.

E. H. BELLAMY.

**PROFIT-SHARING EXPERIMENTS.**—The cause of industrial co-operation still makes slow progress, in spite of discouragements and failures; but co-operation itself takes such various forms that each experiment requires separate consideration. The partial co-operation known as Profit-sharing seems at the present to be the most hopeful method of producing thrift and efficiency among the workers, as well as that good feeling between employers and employed, which would cause the re-generation of industry. In this way co-operation, since

the days of Owen, has drifted apart from socialism ; it now occupies a separate position, raising no question of politics or class, but simply providing an organization by which workers can rise above their ordinary moral and physical level, taking wholesome interest in their work ; while employers and consumers, instead of suffering material loss from motives of philanthropy, may continue to profit in due proportion, because waste and friction have been removed.

The question arises—Is this too much to hope ? And a reassuring answer is found in some experiments now being tried. Of these I wish first to mention the Profit-sharing scheme made by the Chester United Gas Company. It was started in May, 1901, and the conditions were then explained to the assembled workers. These conditions constitute a kind of "voluntary socialism," as observed by a local paper. A bonus is added to wages and salaries in proportion to the price of gas ; and those men who wish to participate in the scheme must sign a time-agreement, and must belong to a benefit club. There is a committee of management, in which workers are fully represented, and when the bonus is due, half of the money is payable in cash, while the other half is invested by trustees at 4 per cent., until it amounts to £10. After that, stock may be bought in the Gas Company ; though this is not obligatory. A self-acting pension-scheme also forms part of the regulations.

The whole seems to be a carefully balanced plan, from the point of view of general utility ; for it is calculated to benefit the consumers by lowering the price of gas ; to benefit the employers by making the work of better quality, and possibly also by adding to the stock of the company ; lastly, to benefit the workers by increasing and saving their earnings.

The first Report was issued last June, and it shows a satisfactory beginning, in spite of fluctuations. The rules have been modified in some particulars, and there is every prospect of steady success, as the men begin to understand and value the advantages offered. It is interesting to note that though trade union men are not excluded from the bonus-scheme, yet, if they share in it, they naturally tend to leave their union. This fact need not in any way discount the value of trade unions and their work ; but it suggests the idea that perhaps they form but a phase in industrial development, and that, though useful as a means of enabling labour to compete fairly with capital, the future holds a better and a less combative solution of the problem.

These general conclusions lead us on to consider another example of Profit-sharing, one that has already been mentioned in the *Economic Review*, and elsewhere more than once. This is Thomson's woollen

factory at Huddersfield, an industry carried on with the double aim (as set forth by Ruskin) of securing honest work, and setting a standard of living higher than the merely material one. This scheme is more completely co-operative than the other, as well as more avowedly doctrinaire; both masters and men are fired with enthusiasm for their cause, and have voluntarily gone through sacrifices for it. Even now the success of the enterprise is not fully assured, and renewed support will be constantly needed, though the sixteenth annual Report shows a satisfactory financial position. Here there is an eight hours' day and fixed payment for all, while profits also are divided among all, in proportion to each wage or salary; 5 per cent. is paid on capital, and this rate has been voluntarily kept up, even during times of loss and privation. This experiment differs from the other in seeking an ethical, rather than a utilitarian solution to the question between capital and labour. Yet both work in the same direction, and are perhaps more alike in principle than would at first appear.

These and other evidences seem to point to certain facts which will be useful for future guidance. It is evident in the first place that co-operation is a system of industry which can be used in varying ways and degrees, while some of these methods (such as Profit-sharing) have met with more practical success than others. Again, co-operation is most successful when considered as a purely economic question, and, as such, separated from all questions of politics, philanthropy, and so forth. Other facts of interest may be gleaned, but even these are enough to encourage and to warn.

M. W. MIDDLETON.

EMIGRATION TO WESTERN CANADA.—Since the appearance of the article on "The American Invasion of Canada" in the *Economic Review* for October last, the interest in this question has increased to an amazing extent. The various magazines and newspapers have discussed the subject from almost every conceivable standpoint; the attention of the "man in the street" has been arrested; and, to the majority of all classes, the potential greatness of the dominion seems to have come as a revelation. The Canadian Government was not slow to realize that the opportune moment had arrived, and prepared to take advantage of it. Competent lecturers have for many weeks been visiting the principal towns in this country, for the purpose of enlightening the public with regard to Canada's enormous territory, her boundless resources, and her magnificent scenery. Everywhere the audiences have been crowded and enthusiastic. The lecture of

Mr. Hickman, in particular, illustrated, as it is, with a series of fine bioscopic views of Canadian life and industry, has created something like a sensation. At Manchester, for instance, he spoke to four thousand people in the Free Trade Hall, and there were quite four thousand more who vainly endeavoured to gain admission. Sheffield, Leeds, Glasgow, and other towns have had a similar experience. These lectures are now being supplemented by the actual experience of some forty Canadian farmers, who are travelling from place to place, and informing prospective emigrants, in a conversational way, what they have themselves accomplished on their farms in the Canadian north-west.

The effect of all this activity is already being felt. During January and February 2953 British emigrants left England for Canada as compared with 1195 in the same period of 1902. The Rev. J. M. Barr is to take out a party of 3000 in two steamers leaving Liverpool on March 21 and 24 respectively. And all the regular boats are already full for several weeks ahead.

In Canada itself matters are moving with equal rapidity. No less than three separate schemes for new Canadian railway lines from the Atlantic to the Pacific are now before the Dominion Parliament, in addition to a dozen other railway projects of greater or less magnitude. I have received a prospectus of the British-Canadian Wheat Raising Company, Limited, which has been formed with a capital of £200,000, for the purpose of acquiring and developing an extensive area of wheat land in Assiniboia. The Canadian Pacific Railway has purchased a fleet of fourteen steamers from the Elder-Dempster Line, and will in future convey passengers and goods in its own ships and rolling stock right across two oceans and a continent—*i.e.* from Liverpool *via* Canada to Japan, China, and Australia. The Canadian Government has taken an important step in deciding to institute a fast service of steamers between this country and the dominion, which will doubtless divert some of the traffic that now finds its way through New York.

Altogether, then, the year 1903 is likely to prove an important epoch in the history of Canada. The tide of immigration already promises to eclipse all its previous records; and with the necessary population to develop her resources, who shall place any limit upon the country's future progress?

ALFRED SMITH.

**THE CENTRAL PUBLIC-HOUSE TRUST ASSOCIATION.**—The second Annual Report of this Association is very satisfactory. It contains information relating to thirty-seven trust companies and societies for

various counties and localities, besides making some allusion to the ways in which the trust idea has taken root and is growing in Canada, Australia, and South Africa. Progress is necessarily slow, partly owing to the long routine involved in the acquisition of new licences, while the opportunities for acquiring important houses under present conditions of the "tied house" monopoly are few and far between. Many houses might be obtained which barely pay their way, but it is obviously the best policy of the trusts to leave these severely alone; the community will gain less by the reform of such houses than by their removal. If the magistrates continue their present policy of reducing the number of licences, many of these unnecessary houses may cease to exist. "To keep alive superfluous licences is as far from trust principles as to give life to unnecessary ones." When this is better understood to be really the policy of the trusts, the system may find more favour with the extreme section of the temperance party than it does at present.

Objection is taken in the Report to the action of some magistrates in exacting surrenders from brewers in exchange for new licences, which it characterizes as nothing less than exacting a payment in kind, because the surrender policy, where it exists, enormously increases the value of small and superfluous houses: the brewers compete for these as useful *quid pro quos* to offer to a bench when applying for some coveted new licence. If this policy becomes general, the opportunities for the trusts will be further decreased. However, as public opinion becomes better informed, it is much to be hoped that the advantage of placing new licences under disinterested control will be more obvious, and the evil of accentuating monopolies of this kind will then be checked.

Between the trust companies, the People's Refreshment House Association, and private ventures, considerably over a hundred object-lessons in the reformed management of public-houses are now being given in various parts of the United Kingdom; and these are bearing fruit in the formation of opinion, especially amongst the working classes. It must be a matter of time, but possibly not so long as some people imagine, for the working classes to become convinced of the soundness of the trust movement in the interest of their welfare, and then the future of the system will be secured.

The Report concludes with an earnest plea for efficiency in management. The ultimate success of the movement must, of course, turn much upon this. So far there has been less difficulty than was expected in finding suitable managers. Army and Navy pensioners have been tried in many cases with satisfactory results; they are usually

good disciplinarians, and they are the most likely men to exercise authority with firmness and decision, when it is needed, without making a fuss. But the managers, and those who are responsible for the managers, must also be men of business if the trust movement is to compete with the rest of the trade. Efficiency of system in inspection and supervision is essential to success. This seems to be a very strong element in the working of the People's Refreshment House Association. It would be well if all directors and shareholders really interested in the trusts became thoroughly acquainted with the Association's methods.

OSBERT MORDAUNT.

**THE RUSSIAN BUDGET.**—One of the most striking features of the Russian Budget for 1903 is the amount of the total. The estimated revenue and estimated expenditure taken together amount to two milliards of roubles—about £200,000,000 sterling. In 1893 they reached for the first time £100,000,000. They have thus doubled in the past ten years. The great increase is due in part to the economic progress of the country, which brings with it increased State requirements, and is accompanied fortunately by a corresponding increase in State resources ; partly also to the increasing influence of the ideals of State Socialism, and consequently to the increasing degree in which the State is embarking in descriptions of undertakings which with us are left to private enterprise.

In commenting on last year's budget I ventured to take a much more favourable view of the position in Russia than that which was taken by the English press generally. I pointed out that, while no doubt it had to be admitted that the gross amount of the debt had increased considerably during the past ten years, the resources, other than taxation, which were available for the service of it had increased much more rapidly ; so that, while in 1892 more than £17,000,000 had to be raised by taxation for the payment of interest, in 1900 only £9,000,000 had to be thus raised, the balance being met mainly out of the receipts from the working of the railways, and that, the burden of annual interest being a diminishing quantity, the general situation in Russia was one of increasing financial strength. The soundness of this view is very clearly borne out by the improvement that has taken place in the position of Russian securities. M. de Witte is able this year to report that the 4 per cent. consolidated bonds, first and second series, which in the summer of 1900 were quoted in Paris at 97½, stood when he issued his budget at 103, while the 3 per cent. Trans-Caucasian Railway bonds had risen, during the same time, from 81½ to 88½.

About £17,000,000 is intended to be spent during the ensuing year on new railways, including the completion of the Siberian Railway by a line round Lake Baikal, and the expenditure will, no doubt, come out of borrowed money. It will come, however, out of money already borrowed in 1901 and 1902, not out of the proceeds of a fresh loan. It has been authoritatively stated quite recently that Russia will not approach the European markets with the view of raising a loan this year.

WILLIAM WARRAND CARLILE.

A STUDENT OF POLITICAL ECONOMY IN OLD JAPAN.—In the year 1827, twenty-seven years before the first commercial treaty between Japan and England, a book on political economy was published in Japanese, called "*Keizai-Yōroku*" (*Principles of Political Economy*). At that time the feudal government had been in power for more than two hundred years, and the Japanese people, owing to long and uninterrupted peace, had become weak and luxurious. The change of government consequent upon the Revolution of 1868, and the growth of home trade and intercourse with foreign nations, brought the study of political economy again into prominence, and many well-known western works on the subject were translated into Japanese. The *Keizai-Yōroku*, written as it was in the feudal age, is in many respects inapplicable at the present time; but an abbreviated translation of the preface of this book may, it is thought, prove interesting. The name of the author is Sato Shinyen, and in this preface he gives the following account of himself and the circumstances which led to the publication of the book.

"Okatsu, in the province of Dewa, was my ancestral home. The head of the family, after the battle of 1700, by which he lost his feudal rights, took up the profession of medicine. His son followed the same calling, and in his time the land was afflicted by a great famine, in which thousands died of starvation. My grandfather was deeply moved by all this misery, and determined to discover its true cause, 'After all,' he thought, 'a doctor cannot save the multitudes from starving.'

"Abandoning the practice of medicine, he gave himself up to the study of political economy, and travelled throughout the country investigating the prevailing systems of agriculture, fisheries, and other industries. No difficulties of travel, which in those days were great, deterred him, and hardly a corner of Japan was left unexplored. He died in the summer of 1733, while engaged in inspecting the copper mines at Akita, leaving behind him various writings of considerable importance on the subject of political economy.

"Shortly before his death he urged his son to continue the study to which he had devoted so much of his life. In obedience to these instructions, my father, taking me, at that time a mere lad, with him, visited various parts of the country, making notes on the climate, agriculture, and other matters of interest. On the invitation of the manager of a famous copper mine, my father went to give instructions in making an analysis of copper ore. While there he suddenly became dangerously ill, and, calling me to his bedside, thus addressed me: 'After my death you must not let the studies of your grandfather and myself be of no use to you. My desire is that you go to Yedo (Tokyo) and there learn all you can on the subject of economics. In this way you will carry on the family study, and give proof of your filial obedience.' Shortly afterwards he died.

"At that time I was only fifteen years old, and knew nothing of the world, but in obedience to my father's injunctions I set out for Yedo. There I studied under Mr. Udagawa, a well-known professor, and made some advance in geography, mathematics, surveying, and other sciences.

"After a few years in Yedo, I travelled over almost the whole of Japan, studying the various products of the country. Eventually I gave up my whole time to writing three treatises—on *Manufactures*, *The Guidance of Nature*, and *Political Economy*, in which I incorporated the results of the studies of my father and grandfather.

"The work on *Political Economy* was by far the largest of the three, and ran into sixty volumes; but, as many of my pupils represented to me that the size of the work put it out of the reach of a large number of people, I prepared an abridged edition in seven volumes, and this is the present work which I am issuing under the title of *Keizai-Yōroku*. This treatise I look upon as the crown of the labours of three generations, and I am persuaded that if the principles therein laid down are faithfully followed, it will result in the utmost benefit to all classes of my fellow-countrymen.—SATO SHINYEN, March 6, 1827."

Z. SUZUKI.

SOCIOLOGY AT THE PARIS EXHIBITION.—Official reports are slow to find their way into publicity in France. Thus it comes about that the present publication, dealing with matters connected with the great Exhibition of 1900, and bearing the date of 1901, has been

<sup>1</sup> *Exposition Universelle Internationale de 1900 à Paris: Rapports du Jury International, Classe 103. Rapport de M. ARTHUR FONTAINE, Directeur du Travail au Ministère du Commerce, de l'Industrie, des Postes et des Télégraphes.* [176 pp. Fol. Imprimerie Nationale. Paris, 1901.]

actually issued only on the very eve of 1903. Belated as it is in appearance, it is a very valuable contribution to current economic and sociological literature, as the well-known name of the author, acting in this instance as *rapporteur* of his *jury*, alone would suffice to indicate.

In a volume of 176 pp. it has proved quite impossible to deal with all the articles—consisting to a considerable extent of statistical tables and descriptive or argumentative monographs—exhibited in the section, to the number of about 950. The author has accordingly had to content himself with giving condensed summaries of the information supplied under each head in the case of all exhibiting establishments or papers singled out by the jury for prizes or medals, or placed “outside competition” as coming from members of the jury. Even so there remain a goodly number of establishments, societies, labour exchanges, Government departments or trade unions, etc., to review, namely 532 French and 387 foreign, in addition to 11 monographs on important social or economic questions of the day.

The volume may be thus said to supply a most interesting conspectus of the most noteworthy institutions existing throughout the world, which deal with questions of labour organization or the improvement of the living conditions of the working classes, compiled and arranged by one of the best skilled hands that social and economic science has to boast. It is sure to prove useful to the student of social or economic questions as a guide in his researches.

HENRY W. WOLFF.

**MODEL VILLAGES.**—In the October issue of the *Economic Review* I attempted to indicate some economic dangers which beset the model village movement, and particularly that movement in the hands of individual employers. I hardly expected to have my views so suddenly confirmed. Mr. Lawson's survey of *American Industrial Problems*, recently published by Messrs. Blackwood, is a startling indictment of the actual state of affairs in many districts of the United States. It shows how the great American employer insists upon his employees living in villages which are the property of the employer; how the employees are spied upon every moment of their lives by detectives, who work with them, and live among them, and make weekly confidential reports; how their very food and drink is regulated, and the last vestige of liberty is taken from them. It is precisely this unscrupulous use of the model village to which I referred. Indeed, I am afraid that even in the hands of the philanthropist employer, the model village is as liable to abuse as to beneficent use.

It was no part of the object of my article to indict a present existing

village. Of Bourneville, for example, I know nothing at first hand ; and on any further evidence I decline to speak, save in so far as trustworthy reports convey a most favourable impression. But the world is not peopled with Cadburys, nor are model villages usually arranged so that persons may reside in them who may get their living otherwise than under the founder's employ. My contention was, and is, that the model village which is owned body and soul by an individual employer, or by a firm, is capable of being used as a machine for tyranny. That such instances have already occurred is remarkably borne out by Mr. Lawson's book.

JOHN GARRETT LEIGH.

THE TRADE UNIONS AND THE LAW.—Certain eager partisans of the Trade Unions are ill-advised, we venture to think, in making such a grievous outcry against the recent legal decisions affecting the conduct of trade disputes. It was almost inevitable, and indeed even desirable, that sooner or later the Trade Unions should be fully recognized as corporations, and made responsible for the actions of their agents. At all events, it has now been affirmed by the House of Lords' judgment that a Trade Union does possess a corporate character, and can both sue and be sued at law. This decision should be welcomed, even by Trade Unions themselves. Thirty years ago it was their good fortune to be treated in an exceptional way : they were allowed to prosecute their fraudulent officials, but were not recognized as corporations against which legal proceedings could be taken. They have now reached a far stronger and more assured position, and do, in fact, represent a very important factor in determining the conditions of industry. This influence, as we should hold, is perfectly legitimate, and altogether necessary from the point of view of the national economy. But it is no less expedient that this power should not be in the hands of an irresponsible body ; and, as the conduct of the Taff Vale dispute has shown, the internal discipline of Trade Unions needs strengthening for the sake of their own right purposes.

For instance, Mr. Richard Bell, now M.P. for Derby, the General Secretary of the Amalgamated Society of Railway Servants, makes the following remarks in his recent report to the Society : " The experience I have gained during the last five or six years tends to show that the members are not sufficiently careful in their selection of Executive Committee members. Instead of electing those with grit enough to administer rigidly the Society's rules, the tendency seems to be, in many cases, to elect the members who have become popular through the exercise of their oratorical power. As a result

of this, we have to put up with the Taff Vale strike, the cost of which, including the House of Lords' case, the present action, and the probable damages, will amount to close upon £50,000. This is a heavy price to pay for the gratification of irresponsible members, and those not the most thoughtful. . . . During my term of office as General Secretary I have done my utmost to cause things to be conducted in the right way, but by the Executive Committee I have not been supported as I ought to have been. As a result, a few irresponsible persons have run away with the governing body, and landed us in the present difficulty."

As for the practice of picketing, it is by no means essential to the existence or effectiveness of Trade Unionism. In fact, as Mr. and Mrs. Sidney Webb have pointed out, "the most powerful unions of the present day, the most exacting in their demands on the employers, have gone a stage farther, and have laid aside the whole system of picketing, with its intangible annoyance and easy transition into breaches of public order. In the great five months' strike of the cotton-spinners in 1893, and in the gigantic stoppage of the Miners' Federation in 1894, practically no 'pickets' were posted or needed. 'It is not worth the risk, trouble, or expense,' writes a leading Trade Union official, 'of resorting to the practice. . . . Every wage-earner is able to read and write, and discern the difference between right and wrong; and with the assistance of the public press a full knowledge can be gained as to the reasons why a strike takes place. Hence no one is required to hang about a workshop where a strike is going on for the supposed purpose of giving information to persons who may desire to apply for work on the employer's conditions.' Picketing, in fact, is a mark, not of Trade Unionism, but of its imperfection."<sup>1</sup>

As for what may be allowed to pass as "the peaceful conduct of a trade dispute," we have the public confession of an eminent lawyer like Mr. Haldane, that he does not know what the law is, and, if called upon, could not give trustworthy legal advice on the subject. Accordingly, he advises the Unions to ask for the appointment of a small Royal Commission to define the present position of affairs, before any attempt is made to secure the introduction of fresh legislation.

This is sound advice, and we sincerely hope that it will be accepted by the Trade Unions. They have a legitimate grievance in the vagueness and complexity of the English law with regard to questions of conspiracy and libel, and should devote all their efforts to obtain a clear and authoritative definition of their present legal position, before proceeding to ask for any further privileges from Parliament.

<sup>1</sup> *Industrial Democracy*, pp. 856, 857.

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

THE *Report from the Select Committee on Steamship Subsidies, together with the Proceedings of the Committee, Minutes of Evidence, etc.* (Commons Paper, 1902, No. 385, fol., 395 pp., 3s. 2d.), begins by an attempt to elucidate the meaning of the word subsidy. "Bounties, subsidies, or subventions are all terms used for payments made for some kind of value received, irrespective of the policy which may be involved; in one case the carriage of mails or provision of cable communication, in another the maintenance of national defence, or it may be the encouragement of trade; and it sometimes occurs that when a given sum is granted as a subsidy, it is very difficult indeed to analyze it into its component parts, and lay down that so much of it is paid as a postal subsidy, so much for Admiralty purposes, or so much for the encouragement of trade." There does not seem much objection to this view if we substitute for "some kind of value received," the words "some kind of value supposed or alleged to be received." The British subsidies in 1901 amounted to £756,500, a sum which does not include the £150,000 subsequently granted to the Cunard Company. The German subsidies seem to amount to a little over £400,000, but in addition to this the lines receive an unknown quantity in the shape of exemption from customs, duties on manufactured articles used in the construction, repair, and equipment of their ships, and in the shape of preferential railway rates on certain exports. The French shipping subsidies of all kinds amount to the enormous total of about £1,800,000. Russian subsidies come to £365,000, the Japanese to over £700,000.

Coming to conditions of subsidies, the committee very quickly, and apparently without much thought, arrive at the conclusion that "As far as possible a condition should be attached to every British postal subsidy that the speed of the ships employed shall equal the highest speed of foreign mail ships trading on the same routes," which suggests international racing in a very literal sense. They also think that "the principle of subsidies by or for the Admiralty is only justified for obtaining a limited number of vessels of the highest speed and great

coal endurance among the mercantile marine, built according to Admiralty requirements for purposes of national defence, provided that the Admiralty find it more economical to subsidize swift merchant ships than to build naval ships." Next considering the possibility of the transference of subsidized ships to subjects of other countries, the committee conclude that no subsidy "should be granted except on condition that the whole or partial sale or hire of any ship in receipt of the subsidy cannot take place without permission of the Government," and that "the majority of the boards of directors of subsidized companies should be British subjects." They also think that the officers and a proportion of the crew should be British subjects. At this point they expose the usual extraordinary ignorance of legislators and others as to the relative magnitude of the Great Powers by accepting Sir Thomas Sutherland's estimate of the population of Germany as "45 or 46 million" in August, 1901, which is ten or eleven millions below the mark.

The Committee further recommend that the Light Dues, which at present bring in about half a million per annum, should be removed from shipping, and paid out of taxes (they do not say out of which taxes), and that Board of Trade regulations should be enforced against foreign ships in British ports.

Finally, they suggest rather than definitely recommend legislation for the purpose of excluding foreign ships from trading between different parts of the British Empire, when the nation to which they belong does not allow British ships to trade between different parts of its dominions. They do not report whether this exclusion might not, in many cases, lead to diversion of trade which would be anything but advantageous to the Empire, nor apparently reflect that it would, so far as it was of importance, tend to diminish facility of trade and intercourse between different parts of the Empire—a thing which, in other parts of the report, it is suggested should be promoted by every possible means.

The *Report by the Chief Labour Correspondent of the Board of Trade on Trade Unions in 1901* (Cd. 1348, 8vo, 238 pp., 11½d.) shows that the membership of trade unions, which had increased rapidly from 1896 to 1900, was almost stationary in 1901. Financially, 1901 did not differ much from the years immediately preceding it. The income of the hundred principal unions was £2,061,501, and the expenditure £1,655,635, so that about £400,000 was added to their accumulated funds.

The *Statistical Tables relating to Emigration and Immigration from and into the United Kingdom in the year 1901* (House of

Commons Paper, 1902, No. 183, fol., 68 pp., 7d.) are disappointing, as they contain no attempt either to reconcile the figures published for the years 1891 to 1900 with the result of the census, or to explain the large discrepancy (see *Economic Review*, July, 1901, p. 359). Perhaps, however, it is due to the census that we are no longer asked to believe that the whole of the foreign seamen (to the number of 15,146 in 1901) who arrive as passengers go away as crews of ships and never come back any more. But we are still asked to believe that "a large proportion" do so. "There is, however, no doubt that a large proportion of the seamen in question leave ultimately as crews and so escape record. This applies, for example, to the foreign seamen sent over as passengers to the United Kingdom to man vessels constructed for or sold to foreigners." But it is certainly difficult to believe that the ships new and old acquired by foreigners can require anything which can fairly be described as "a large proportion" of 15,000 men to sail them to the foreign country: it is still more difficult to imagine any other reason to account for the crews of outward bound ships being considerably larger than those of inward bound. Without allowing anything for these passenger sailors, the report makes the net loss of the United Kingdom by migration to be 48,845 against 43,381 in 1900, and 21,925 in 1899.

The publication of the county volumes of the census of England and Wales has been concluded by the issue of *Anglesey* (Cd. 1447, fol., 42 pp., 11d.), *Bedford* (Cd. 1406, 52 pp., 10d.), *Berks* (Cd. 1362, 69 pp., 1s.), *Brecknock* (Cd. 1437, 48 pp., 11d.), *Buckingham* (Cd. 1407, 60 pp., 1s.), *Cambridge* (Cd. 1323, 66 pp., 1s. 1d.), *Dorset* (Cd. 1320, 68 pp., 1s. 1d.), *Cardigan* (Cd. 1425, 48 pp., 11d.), *Carmarthen* (Cd. 1411, 50 pp., 1s.), *Carnarvon* (Cd. 1410, 52 pp., 1s.), *Cumberland* (Cd. 1376, 64 pp., 1s. 1d.), *Denbigh* (Cd. 1412, 55 pp., 1s.), *Flint* (Cd. 1439, 42 pp., 11d.), *Hereford* (Cd. 1426, 58 pp., 1s.), *Hertford* (Cd. 1377, 67 pp., 1s. 1d.), *Huntingdon* (Cd. 1438, 44 pp., 11d.), *Merioneth* (Cd. 1436, fol., 46 pp., 11d.), *Montgomery* (Cd. 1435, 46 pp., 11d.), *Oxford* (Cd. 1322, 67 pp., 1s. 1d.), *Pembroke* (Cd. 1432, 50 pp., 1s.), *Radnor* (Cd. 1449, 41 pp., 11d.), *Rutland* (Cd. 1448, 31 pp., 10d.), *Salop* (Cd. 1430, 72 pp., 1s. 2d.), *Westmorland* (Cd. 1431, 46 pp., 11d.), *Wilts* (Cd. 1378, 74 pp., 1s. 2d.). We now await the general Report which will bring together the figures of the county volumes.

The census of Ireland is completed with the publication of the *General Report* (Cd. 1190, fol., 658 pp., 7s. 6d.); but it will be well to defer observations upon the results till the general report for England is available for comparison.

Scotland as usual, where the Government offices in Edinburgh are concerned, is behind, having only produced vol. i. of the *Eleventh Decennial Census of the Population of Scotland* (Cd. 1257, fol., 433 pp., 3s. 6d.), which is in one way a most discreditable piece of work. English as she is spoke by Sir Stair Agnew, K.C.B., a high official receiving £1200 a year, and R. J. Blair-Cunynghame, M.D., is enough to make even one who has been reviewing bluebooks for thirteen years feel slightly indisposed. Being desirous of pointing out the simple fact that in any given period increase of population is equal to the difference between births *plus* immigrants and deaths *plus* emigrants, these authors say—

“As always the case, the increase of a Population during any period is determined by two factors, the one being the excess of births over deaths during the time considered, which is the natural increment of the Population; the other depending upon the number of persons who may have left the country for other parts, *i.e.* Emigrants; with, at the same time, a knowledge of those who have come into the country for residence there or who may be temporarily present at the time of the taking of the Census of the Inhabitants, *i.e.* Immigrants.”

For verbosity and fatuity this sentence is only equalled by the one on the same subject in the census of 1891. The introduction of “a knowledge” as a factor determining the increase of population suggests that in future we should say, “Two and a knowledge of two make four.”

Other gems are: “Russian Nationality stands pre-eminently to the fore, there being 10,373 of such;” and, “On the present occasion the numbers of Foreigners have much increased to what they were at 1891.”

But the most extraordinary feature in a bluebook produced in that part of the United Kingdom in which, according to Mr. Balfour, elementary education is so much better managed than in England, is the frequent treatment of “there” as apparently a sort of pronoun third person singular—

“Table XXII. gives the distribution of the population over this area, and from it is seen that at the Census there *was* 150 persons to each square mile in the country.”

“There *is* left 7097 lunatics, imbeciles, and feeble-minded persons.”

“At 1891 . . . of imbeciles or idiots there *was* 5017.”

For mere inarticulateness it would be difficult outside of a Scotch bluebook to match the following—

“The information required in the Householders (*sic*) Schedule on the present occasion differs in a few particulars from that asked for at the 1891 Census, *viz.*, under the head of Profession or Occupation those

engaged in such should state in addition to whether 'An Employer,' 'A Worker,' or 'Working on own Account,' if the trade or industry is carried on 'At Home.' Again, with reference to Gaelic speaking, a limit to age is put, viz. three years and upwards; when born in a foreign country one is asked to state whether, at the time of filling up the Schedule, he or she is a Foreign 'Subject,' and under the heading of Infirmity the term 'Idiot' is omitted."

So it shall be here, but it is to be hoped that Lord Balfour of Burleigh, to whom the Report is addressed, will decline to receive any more "of such."

EDWIN CANNAN.

## REVIEWS.

**THE STRENGTH OF THE PEOPLE.** A Study in Social Economics. By HELEN BOSANQUET. [345 pp. 8vo. 8s. 6d. net. Macmillan. London, 1902.]

Mrs. Bosanquet's new book "does not pretend to be more than a preliminary study" in Social Economics, "an attempt to suggest how we may work out some theory of human nature and social life which will be a guide to us when applied to the actual problems which we have to face." With the main outlines of such a theory as conceived by Mrs. Bosanquet students of her previous writings are already sufficiently familiar. Reform can proceed only from within: the most that any reformer can do is to assist the individual to be independent and enlarge his interests. The reform that is most urgently wanted is not so much that of "the people" themselves, as of those who would reform them: anything done in the name of philanthropy or of law carries about it the taint of corruption.

"The lesson is one enforced by all the teaching of history. Any real progress made by the English people has always been the result of their own expanding energies. The work of the trade unions, the friendly societies, the co-operators has owed practically nothing to external help. Liberation from legislative interference and from the crushing weight of the old poor law was all that was needed to enable the restrained forces of independence to push forward with a vigour and intuitive choice of the right road which is little short of marvellous. I believe that a careful study of these movements would show that whenever they have taken an abortive turn it has been at the instigation of external sympathizers endeavouring to impose upon them an external ideal. Many of the failures of co-operative production, many of the economic fallacies of trade unionism, have certainly arisen in this way."

Such an excessive statement certainly needs more precise verification than is offered. Mrs. Bosanquet carries abstraction into history itself, and there seem to be no lengths to which she is not prepared to go in overstatements of this kind. It would hardly be too much to say

that, if the whole of this statement had been turned round, it would have been at least as specious. Mrs. Bosanquet is, of course, aware that legislation has done something "essential and effectual" for industrial and sanitary conditions, something also for education; but she "practically" traces the whole of this legislation, and indeed the whole of what social progress has been made in England during the nineteenth century to—the Poor Law Amendment Act of 1834. "When once the weight of the old poor law was removed, attention was roused to work which was really constructive" (p. 165). "The nineteenth century, subsequent to 1834—the time when the people received back their life into their own hands—may fairly be called the Renaissance of the working class, the beginning of new strength and growth" (p. 168). "It may be doubted whether it has ever before happened that a nation, so far on its way to decay, has checked its downward course and recovered itself so completely." There are, of course, facts on the other side, but we are always given to suppose that they are of no significance, or do not affect the main thesis.

It is greatly to be regretted that Mrs. Bosanquet should have stated her case in a way least calculated to produce conviction or to attract sympathy. She proves much that is fundamental, but she would have proved it all the more effectively if she had not tried to prove too much. As a contribution to the problem of "Charity" in the broadest sense, her book is an invaluable store of ideas and suggestions; but if the problem of "social economics" begins with Mrs. Bosanquet's point of view, it certainly does not end there, and it can only be made to appear to do so by an argument that ignores as many facts as it includes. We may certainly agree with what appears to be the main proposition of her argument—that "merely to put material benefits into the hands of passive recipients, without effort on their part, or without giving them also fresh interests and responsibilities, will not only defeat their own ends, but will even intensify the evil to be remedied. All economic problems are ultimately ethical, and it is neglect of this fact which has created a class of people in the community which becomes more hopelessly poverty-stricken in proportion as it is the recipient of external aid, and which is, indeed, threatening the independence of the whole working class."

But this position—which is in itself self-evident—by no means justifies Mrs. Bosanquet in the sweeping conclusions to which she proceeds; there are a great many other aspects of the social problem which are at least as important as that which Mrs. Bosanquet emphasizes to the exclusion of the rest. Mrs. Bosanquet is always ready, and indeed eager, to find a fallacy in arguments which include more

than her point of view ; but should she not be all the more particular about the arguments she seems to think good enough for her own case ? It is certainly remarkable that such an exact and scrupulous critic of "figures" as Mrs. Bosanquet has shown herself to be should be so curiously perfunctory and uncritical in the use of those that seem to support her own conclusions.

The appeal to Sir Robert Giffen's well-worn essay on the *Progress of the Working Classes*—how often it has done duty in arguments of the kind !—is one of many cases in point. That certain classes of wage-earners, when they are actually wage-earning, receive more wages than they did, is an undoubted fact ; but this fact, taken for all that it is worth, makes no difference to other facts, which are at least as characteristic of modern industry. Indeed we may admit all the facts and figures which Mrs. Bosanquet cites in the course of her book without being a whit more disposed to share her optimistic conclusions. There is nothing in the one set of facts that necessarily suggests any change (for the better) in the other ; or, if there is, it requires some sort of proof. Mrs. Bosanquet has offered no such proof, or, at any rate, nothing that satisfies the conditions of proof. The plain man is not so easily convinced : he has always had an instinctive distrust of the superior person in economics—of the person who says there is peace where there is no peace ; he has a dim feeling that the whiteness of certain facts does not alter the colour of those that are not white ; and he is apt to suspect the reasoning which assumes that, because certain classes of wage-earners are "better off," it follows that those whom they have left behind are somehow also better off, or have the same chance of being better off and by the same methods.

Mrs. Bosanquet has a good and a strong case, which she can state with remarkable ability and force ; why, then, should she present it in a way that might give the impression that it is a weak one ? The case needed no straining of facts or of arguments : nor is it in any way made clearer or stronger by needless and unconvincing polemics. The principles of the Charity Organization Society would have more chance of being considered on their merits if they were not so often represented as not only the beginning, but the whole of wisdom, and as if the rest of society had weak intellects or no "experience." Apart, however, from the author's method of presenting her case, it need hardly be said that *The Strength of the People* contains very interesting as well as very instructive matter ; and if the argument, taken as a whole, seems to proceed upon a great abstraction, it is an abstraction that always needs emphasis. If the author had more clearly recognized the

limitations of her argument, and had presented the argument itself in a less aggressive and doctrinaire form, *The Strength of the People* would have had all the effect its author desired, and, for the matter of that, we should all desire. For if I have dwelt upon the impediments which the author has put in the way of her appeal to students of social economics, it is not from any want of sympathy with the main thesis of *The Strength of the People*, or from any want of admiration for the power and strenuousness of its argument. I hope, indeed, that I may have exaggerated the defects of qualities which deserve the highest appreciation and the amplest recognition. It may very well be that if, as Mrs. Bosanquet seems to suggest, it is becoming a question whether there is any "people" left to be saved, "many-headed corruptors" should expect to receive their instruction in the form of an irritant. I think myself that there is a good deal more in the problem, and therefore a good deal more involved in its solution, than either Mrs. Bosanquet's statements or remedies appear to suggest; but as I agree in the main with her general principles as far as they go (which is no inconsiderable distance), I feel that my own particular withers are unwrung. I would, however, venture to remark that Mrs. Bosanquet's principles are quite compatible with a good deal that she seems to regard as anathema. Anyhow, I entirely distrust such absoluteness of statement as seems to attach by a kind of prescriptive right to the "principles" of the Charity Organization Society. Human nature responds very differently under different conditions; and if the science of social economics "is shaping itself in the hands of thinkers and workers," it will not be helped by reviving "the economic man" in a new and even less credible form. A study of social economics which takes no account of the actual organization of industry, or the economic structure of a particular society at a particular stage of evolution, can hardly be regarded as adequate, even as a preliminary study in that science, or as a sufficient basis for a "theory of human nature and social life which will be a guide to us when applied to the actual problems which we have to face."

The most interesting chapter in the book is the sketch of Chalmers' work in his parish at Glasgow (though its bearing upon some of the "lessons" of the book is rather double-edged), and the most instructive is that on "The Economic Importance of the Family;" this, indeed, may be regarded as the central chapter of the book. On the other hand, the least satisfactory and the least conclusive portion of the book is the chapter on "Work and Wages." The *idêe fixe* is perhaps more in evidence here than elsewhere; and though I admit that the policy of a "national minimum" demands the closest investigation,

I cannot but think that the particular line of criticism adopted by Mrs. Bosanquet savours too much of economic pedantry to be particularly useful and helpful. The considerations which she omits are at least as important as those which she selects for attack ; and whatever dialectical advantage she may gain, she more than loses in not facing the real position ; she even goes so far as to suggest that any form of State control which would put a premium upon efficiency ought to be resisted in the cause of the inefficient. Such a position is open to the popular Socialism against which the argument of *The Strength of the People* is directed, but as a conclusion of the higher criticism it has the appearance of a paradox. Mrs. Bosanquet's statement of "the alternative methods" of dealing with the inefficient is peculiarly misleading ; her own method, it so happens, is a recognized element in the policy of a national minimum—and so far from it being a fact that "no one has considered the question" of "the children who are leaving the elementary schools," it is an integral portion of the policy with which it is contrasted. The assumption that "the alternative methods" are mutually exclusive, or that compulsion is merely the opposite of freedom, serves only to darken counsel. Even Mrs. Bosanquet contemplates that "questions of housing, of land laws, of factory legislation will be discussed, and legislation promoted ;" but inasmuch as legislation would, in a properly conducted community, be confined to the initiation of "experts" (that is poor law guardians and administrators of charity), "fewer Bills might be brought forward." "But," Mrs. Bosanquet adds, "when all is said and done which well-wishers can say or do, it still remains true that the strength of the people lies in its own conscious efforts to face difficulties and overcome them." Most certainly, for the whole hope of industrial democracy lies in its consciousness of "difficulties to overcome, and freedom to overcome them ;" but I should be somewhat surprised if this consciousness indisposed the people for any legislation that did not come from above, or from "the instigation of external sympathisers endeavouring to impose upon them an external ideal." The strength of the people, if it is not merely the strength of individuals, will declare itself most unmistakably by "collective" efforts to control the conditions of the industry by which it lives : it will have realized the illusions underlying the idea of individual freedom of competition, and will take up instead "the higher freedom of the collective life : " for there is a higher category than the family, and that is the State or community itself.

SYDNEY BALL.

**AMERICAN INDUSTRIAL PROBLEMS.** By W. R. LAWSON.  
[vii., 394 pp. Crown 8vo. 6s. net. Blackwood. Edinburgh, 1903.]

This is a book that ought to be widely read. The language may be so sympathetic with the subject as to smack somewhat of Wall Street; and the grammar may not always be above suspicion. But the style is crisp and clear, and the topics are well ordered. More important still, the matter is of first-rate quality. The writer seems almost as familiar with the other side of the Atlantic as with this, and has evidently made himself master of those excellent statistics which constitute one of the most powerful weapons in the aggressive hand of American commerce. Besides, though his object is to discuss "problems," he manages most successfully to graft the consideration of possibilities on to that of actualities, so that the argument is never in the air. What we get, in fact, is a criticism of existing tendencies from what may, without prejudice, be described as a business-man's point of view.

A word concerning this point of view. The writer's own criterion would seem to be one with that which he ascribes to the American manufacturers "who are in business not for theory or for fun, but for cold dollars." It is, in short, the criterion of the pure wealth-seeker. Now, after all, this is likewise the working principle of political economy or, at any rate, of a political economy. Meanwhile, it is also one that enables Mr. Lawson to criticize American business life from the inside rather than from the outside; and certainly it is "immanent" criticism that is at once the least invidious and the most effective. Sometimes, however, we are painfully reminded that it will not always do to identify "wealth" and "weal." Hear Mr. Lawson, for instance, on the subject of the true end of a national education: "The educators of the people are indirect wealth-producers in so far as they give a practical money-making turn to their instruction. Formerly this was rather an occasion for sneering at American education, but it is now better understood. In an industrial age the best education is the one that best fits us for practical duty. . . . The Americans never waste money in giving a man education which he is not to use." Or consider what he has to say about the person who in England takes the place of the American "boss": "In his higher forms he is a gentleman, or has to try to be, which is destructive of vigilance and efficiency." To the same effect are his strictures on the English Parliament for not wholly confining its attention to the advancement of the trading interests of the country. All of which philosophy, as happily a good many people are likely to think in

America no less than in England, reeks most unpleasantly of the shop.

As regards the facts and the theories based on fact with which Mr. Lawson's pages abounds, a few odd citations must suffice here. America's intentness on business—the "efficiency," as Lord Rosebery would say, of capital and labour alike—receives almost unqualified praise. To take the case of labour first, it is not asserted that the American workman is in himself a better man than his British cousin, but it is shown that he is more alive to the value of labour-saving machinery. "The American loves a machine as the Englishman loves a horse. He takes a personal pride in its working, or as he would say 'in running it for all it is worth.'" Hence what in Europe would have to be done by so-called "skilled" labour is in America entrusted to a relatively unskilled labour which, nevertheless, by simple dint of enthusiasm in the matter of pressing buttons and pulling levers, more than makes up for the absence of the skill which comes of long apprenticeship. And herein, according to Mr. Lawson, lies "the kernel of the labour-question as between Europe and America." Then transatlantic capital in its turn is shown to be similarly go-ahead, whereas "there are 'ca'-canny' directors and managers among us, as well as 'ca'-canny' workmen." "Our heroic age of industrial enterprise seems to be past, and we have settled down to a *régime* of joint-stock old-fogeyism." Meanwhile, it is hinted that the American of the next generation may be of another and a feebler type. "Already signs of relaxation are apparent in the upper ranks of society which, if unchecked, cannot fail to extend downwards."

In this connexion Mr. Lawson's views as to the origin and significance of the multi-millionaire may be noticed. An epigram is quoted to the effect that "the mother of all trusts is the customs tariff." Tariff reform is therefore suggested as the best weapon of national defence against the all-too-powerful "trust-mongers." "If the most inequitable and indefensible of these privileges are to be first attacked, it will be the protection duties, or rather bounties, which have made more American millionaires than all the gold and silver mines in the country." It is further pointed out that the "two or three score of rich men who have manœuvred themselves into an industrial dictatorship" have largely added to the fruits of a protected industry by sheer gambling, and that their example has infected all classes of the community, so that to-day "the American heel of Achilles is in Wall Street." In particular, sound currency and sound banking, as being alike alien to the speculative habits of the nation, are alleged to be conspicuous by their absence. Indeed, Mr. Lawson goes so far as to

say that the Americans have no natural aptitude for finance, preferring to regard their genius for business as limited to certain special fields, transportation, for instance, and mining. Thus his final summing-up is not wholly in favour of the new world as against the old, especially now that he perceives Europe to be in the "mood for overhauling its industrial and commercial machinery." "American industrialists of to-day," he concludes, "are not traders in the ordinary sense. They are engaged in a course of gigantic adventures which may end in brilliant successes or disastrous fiascoes. The new American régime, dazzling as it has been at the outset, is still far from assured victory. Whatever its merits and advantages, it has still much to do to prove its absolute superiority to the European industrial system it has so boldly challenged." It is impossible, however, to do justice by the aid of a few excerpts to the cogency and variety of the argument. To be appreciated, the book must be studied carefully.

R. R. MARETT.

LES INDUSTRIES À DOMICILE EN BELGIQUE. Vols. iv., v.  
La Dentelle et la Broderie sur Tulle. Par PIERRE VERHAEGEN.  
[315, 277 pp. 8vo. 25 frs. Lebègue. Brussels, 1902.]

These are two volumes out of a series being published by the Belgian Government on Home Industries in Belgium. The two are to some extent distinct. The first, containing a history and description of lace-making, and illustrated by excellent designs and reproductions of the various laces made in Belgium, appeals to lace-fanciers, whether amateur or professional. It is to the second volume, giving details of the life and pay of the workers, and of the present condition of the trade, that readers of the *Economic Review* will naturally turn.

Lace-making does not appear ever to have been, and certainly is not now, an industry that flourishes without outside interference. From its earliest beginning law has constantly interfered to regulate the sale, to restrict the privilege of wearing lace, or to restrain women from engaging in its manufacture, in order (as in Ghent in 1590) that citizens may have enough servants, and at a cheap enough price. Now, so far as law restricts, it is only by imposing heavy import dues, as, for instance, in the United States, where no lace is hand-made, and foreign lace is taxed 60 per cent. of its value. Other interference is for the sake of encouragement. It is a matter of common knowledge that the revival of hand-made lace to-day is due in almost all cases to the influence of persons who were not traders, and who interested themselves in the manufacture or sale from artistic or from philan-

thropic motives. M. Verhaegen tells us that lace-making had almost died out of Belgium in 1840, a time of political upheaval and great misery, when the convents, searching for some remunerative employment for the destitute, gladly seized upon this home industry, which requires neither long apprenticeship nor costly plant and materials, which can be taught, in varying degrees of excellence, to practically every one, and which appealed, as it is easy to believe, to the nuns' feminine instinct for delicate beauty.

The trade is now one of some importance. In 1895 the exports, exclusive of those to the United States, which are large, though not of the highest quality, were valued at 2,128,162 frs. Then there was a rapid fall; in 1900, though they had risen again, they amounted only to 925,356 frs. Now they have fallen again, but M. Verhaegen still estimates the total earnings at 8 to 10 millions of francs annually, and the industry still gives employment to 47,571 women and girls, mostly in Flanders, where—so the author says—the population is probably “the densest in Europe; therefore everybody must work.” In this, as in many other cases, we shall be more ready to accept the author's statements of facts and causes than his opinions as to their probable effects. Belgian lace-making is pursued only among agricultural populations where there is no other employment open to women; where there are factories, big or little, apprenticeship is easier and pay higher, and the women set off to them. The author is a convinced supporter of home industry. Although he says that “girls and women, old and young, work as long as it is humanly possible to work, for a pitiable wage,” that their learning is small, their spirit of initiative and enterprise very limited, and their ideas remote from emancipating themselves or bettering their lot, yet he is still able to rejoice that lace-makers have, so far, proved themselves refractory to socialist propaganda, and is still able to regret that a “less good spirit” prevails in the Walloon country, where “some even of the agricultural labourers have shown themselves very exacting in the matters of wages, and have presented exorbitant demands to the great cultivators.”

The fact is that the lace industry in Belgium presents, and probably will always present, in an exaggerated degree, all the difficulties that are inseparable from the manufacture of articles of mere luxury. Buyers in any country are few, and the sales are dependent, not only upon the vagaries of fashion, but also upon political and social movements. For instance, the well-known school at Burano, near Venice, which M. Verhaegen holds up as a model for his own country to follow, was compelled in 1902 to refuse fresh

apprentices, on account of the depression caused by the South African War. And even in times of peace, women do not naturally tend in the direction of hand-made lace, as (so some cynics say) they naturally tend in the direction of diamonds. It is notorious that most women cannot distinguish hand-made from machine lace, or even prefer the products of machinery as being more showy; and it is only by reason of the personal influence of a court, or of leaders of fashion, or of highly paid persons whose interest it is to push the trade, that, for a time, real lace becomes popular, and the lace-makers of any country can reckon on full work or any regular wage. Belgian lace passes often through ten pairs of hands before it reaches its wearer, and to each successive pair an increased proportion of the final price sticks. Even so, it is not to the advantage of the dressmaker—who may be counted as the tenth pair—to encourage the real lace trade, for the machine made article is more lavishly used, more quickly replaced, and there is more profit belonging to it.

Making allowance for the rates of all pay in Belgium, the wages are very low. Two hundred and sixty-three detailed examples are given, and it is worth noting at the outset that the highest wage quoted is not for lace-making proper, but for sewing spangles on net, whereby one woman earned 4 frs. for 13 hours' work. Another woman earned 3 frs. for 11 hours' work, embroidering net on a treadle machine. Directly we come to needle-work or bobbin-work pure and simple, the wages drop, though the cheaper, coarser kinds often bring in more than the finer, which would hardly be made at all but for the encouragement given to them in the convents. Below these come a few girls and women who earn 1 fr. to 1.50 during a long day, and lower still are many who earn only  $\frac{1}{2}$ d. an hour, sometimes even less, 1d. to  $1\frac{1}{2}$ d. being a common rate. Joiners and menders, being more highly skilled than the ordinary workers, earn more than the average, and may in good times make 3 frs. to 3.50 per day. But, whether in the school at Burano or in the convents of Belgium, only a few have the aptitude for this work, and still fewer learn to plan or to vary the designs that are given to them by the local employers. Though a piece of finished lace is a work of art, the faculties needed for its production seem to be mechanical rather than artistic. The work is minutely subdivided, one woman doing ground, another flowers, another open-work stitches, and so on; and it is said that after a few years of apprenticeship workers do as well as they will ever do, and earn their maximum wage.

Even these wages are subject to the extortions of the middlemen. The truck system is in vogue in many districts, and the workers are

habitually compelled to take in exchange for part of their pay the cotton thread used now in lace-making ; most of it is made in Nottingham, and it is sold to the workers at a large profit. M. Verhaegen asserts that the middlemen absorb all the profits of the trade, and make considerable fortunes—which is easy believable, if they are typical cases that he quotes of 524 and 525 per cent. profit on the actual makers' prices being charged to the retail customer.

As for the sanitary condition of the workers, they are only what we might expect from our knowledge of Belgian villages and of the state of this industry. Apprenticeship begins—some say that it must begin—at a very early age. Children enter the Burano school at the age of ten. And two Belgian convents—they are philanthropic establishments, be it remembered, and, taken collectively, are highly praised by M. Verhaegen—furnish a wage-table whereon it is stated that children of 9 to 12 work 5 to 6 hours daily, earning from 7 to 13 frs. a month ; while children of 12 and 15 work from 8 to 10 hours daily, and earn 12.50 to 27 frs. a month. The hours for adults are from 10 to 12 in the convents, and 12 or more for home workers ; and so close is the application that in one village it is specially noted that the workers followed the excellent practice of taking exercise in the middle of the day after their coffee—for one-quarter of an hour ! On the other hand, mothers of families work only in their spare time, and earn only a few pence daily. M. Verhaegen is constant in his praises of home life, and a mother's influence ; but it is difficult to see what home can be made by a woman who, as soon as the necessary household labour is got through, finds it worth while to toil early and late for such a pittance as a  $\frac{1}{2}$ d. an hour.

The cure that suggests itself is one that natural causes seem likely to bring about, viz. the drafting off of the workers into better-paid labour, and the total decay of the trade. Girls will not go into it, and already the best of the work is done by old women, so that it is quite possible that twenty years hence there will be very little good lace made in Belgium. After all, Europe can afford to dispense with hand-made lace a good deal better than it can afford to starve and stunt its girls. It may be allowable to keep some persons in what amounts to practical slavery in order that the necessary vile work of the world may be done ; but it would be hard to justify the employment of women in a sedentary occupation at a  $\frac{1}{2}$ d. an hour, in order that some fine lady in London or Paris should wear garments adorned with hand-made instead of machine-made edging ; and it is open to doubt whether, under any possible rearrangement of the trade, fine ladies will care to pay enough for this particular sort of finery to afford a living

wage to the persons engaged in producing it. And if that be so, the disappearance of hand-made lace, and the absorption of the workers in some more remunerative industry is only a matter of time, and is not a matter for regret.

M. Verhaegen, it is needless to say, does not take that view of the situation. He believes that it might be possible to reorganize the industry, abolishing the swarms of middlemen, and increasing the worker's wage; attracting apprentices into schools after the model of Burano, or encouraging sales by some such voluntary agency as the Irish Industries Association. He praises the efforts of the convents, but evidently feels that their want of direct influence in the world of fashion, and to some extent their want of business capacity, places them in the power of dealers. And it is only fair to add that philanthropic opinion seems to be on his side, inasmuch as in Russia, Austria, Italy, Ireland, England, and possibly elsewhere, the tendency has been towards the resuscitation of decaying centres of lace workers, and towards the establishment of lace-making schools, and schools of design, under Government or royal or private patronage.

E. A. BARNETT.

**DAS GRUNDGESETZ DER WIRTSCHAFTSKRISEN,  
UND IHR VORBEUGEMITTEL IM ZEITALTER DES  
MONOPOLS. Von R. E. MAY. [146 pp. 8vo. 2 marks.  
Dümmler. Berlin, 1902.]**

In this *brochure* Herr R. E. May, whose laborious study of *Die Wirtschaft in Vergangenheit, Gegenwart, und Zukunft*, has already been noticed in the pages of this *Review*, expounds his specific for minimizing "the more hurtful features of economic crises—over-production and unemployment." He claims for his remedy that it is susceptible of immediate application, and that its efficacy will be greater the more generally it is put in practice. It lies in an adaptation of the ancient Jewish and mediæval restrictions on the rate of interest. A limit is to be imposed by legislation on the profits of monopolies. His argument, in brief, is this. Recent scientific invention and discovery multiply producing capacity till it outruns effective demand. Result—the temporary phenomenon commonly known as over-production, accompanied usually by a saving in human labour and an increase of persons thrown out of employment. In the ordinary course of things, this condition would quickly pass, because prices would fall with the cheapened production, and, in falling, would encourage demand by making it more effective. This tendency to a fall in prices being in the public interest, the attempts made by

producers and dealers to counteract it by means of combination among themselves ought to be frustrated by the intervention of the State.

The maximum rate of profits to be permitted the author fixes at 7 per cent. He justifies his selection of this figure on the grounds, first, that gilt-edged securities in Germany at  $3\frac{1}{2}$  per cent. fetch a premium; and, secondly, that even commercial securities, when sound, realize so high a premium on the Bourse as to bring in only  $4\frac{1}{2}$  per cent. to the investor. Hence he concludes that the chance of obtaining 7 per cent. will act as an ample inducement to draw capital sufficient for industrial purposes.

He meets the objection that acute mercantile and legal intellects will drive a coach and four through any law in restriction of profits by an argument somewhat remarkable to English ears. The history of the enforcement of the recent legislation in restraint of speculation has shown, he says, that judges can interpret a law in a sense more stringent than the legislature had contemplated. Laws as passed by parliament are a compromise between the Government and the political parties of whom the parliament is made up. In administering them, the judges look more, it appears, to the original intention of the advocates of the measure than to the ultimate intention of the legislature, as evidenced by the enactment finally passed. This practice of the judges, which perhaps may only obtain in respect to measures promoted by the Government, is cited by Herr May with approval, and he relies upon it to frustrate all attempts that may be made to evade the proposed regulation of profits. He goes further, and suggests that the legal limit upon profits may be raised to allow manufacturers to recoup themselves for the cost of introducing new processes, and may be lowered in the case of such prime necessities of industry as coal and iron. The vast resulting enhancement of State interference with individual and corporate bodies of citizens is obvious, and is faced by Herr May with the equanimity natural to a German "Gelehrte" in constructing a complete and logical scheme on paper. One more "Inspectorat" or "Kammer," doubtless, would be needed, "but that," he adds, "no longer frightens any one."

The author's presentation of his case strikes one as defective at several points. He leaves out of consideration the question whether the maximum profits may be exceeded in prosperous years in order to make good deficits incurred in bad years. He fails to recognize in his present volume that organizing skill in the task of distribution is as essential to the public interest as scientific knowledge and inventive talent in the work of production, if the spectre of over-production

is to be effectually laid. He omits to define the term monopoly, and to designate the characteristics essential to bring a trade combination within the scope of his proposed law. His argument that trusts maintain the level of prices without maintaining the level of real, or even of nominal, wages, rests principally upon statistics drawn from the United States Census Bulletins. In citing them he loses sight of the fact that the vast and constant stream of immigration from Eastern Europe to America tends to depress wages in the great manufacturing area of New England, New York, and Pennsylvania, and therefore to counteract any influence exerted, whether by trusts or trade unions, in the opposite direction.

C. H. D'E. LEPPINGTON.

**THE CO-OPERATIVE WHOLESALE SOCIETIES' ANNUAL  
FOR 1903. [479 pp. 8vo. The Co-operative Wholesale  
Societies, Limited. Manchester, 1903.]**

The "Wholesale Annual," as it is popularly called, never appears but it has a tale to tell of growing business and strength which fairly astonishes outsiders. For what is related must appear to them truly fabulous. The Manchester society alone has, in the latest instance, in the report for 1901, £17,642,082 of sales to record, as compared with only £8,766,430 ten years previously; £3,574,095 in 1881, and only £758,764 in 1871. That society began business about midsummer, 1864. Up to 1901 inclusive it sold in all £208,163,058 worth of goods, netting thereon £3,073,251 of profits, which means that the latter sum has been put back, mediately, through their societies, into the pockets of purchasing working men, over and besides economies netted in their own local societies. From year to year the society has gone on extending its business, perfecting its methods, widening its sway, like a great empire—laying new provinces under contribution, unceasingly conquering, annexing, absorbing, consolidating. It has its branches and depôts now established all over the world—in Australia, in Ceylon, in America, in France, in Denmark. It runs its own flotilla of steamers backwards and forwards to interconnect them. It grows its own tea out in China, on its own plantation. It manufactures its own boots and shoes, every description of clothing, bedding, furniture; its own soap, cocoa, and other provisions. Like Lemuel's "virtuous woman," it need only "consider a field"—or store, or factory—to find that it can "buy it." It has become the direct employer of 13,133 people. The Scottish Co-operative Wholesale Society, which is smaller and younger, but really more abreast of the times, comes in to swell the totals by £5,700,743 more sales in the year (£69,020,750

in all since 1868), with £231,686 profits (£2,314,495) accrued, and 6,334 people employed. Truly this is a magnificent record. It shows what perfect marvels united action, when well directed, may be made to accomplish, even among comparatively poor people. For although, on Mr. J. C. Gray's showing, our co-operators are recruited mainly from the ranks of "well-to-do" artisans, nevertheless they consist almost entirely of wage-earners.

Thus far nothing could be more satisfactory. But do not these very pages, now under review, give evidence of rather a narrow view, taken by those who direct and govern this empire-firm, of the latter's power, opportunities, and corresponding obligations? Those opportunities and that power are unique. Without question the Co-operative Wholesale Society is the premier co-operative institution in the world. Could it rise to a sense of its greatness, and constitute itself the general leader in all things co-operative—turning its opportunities to account for full and free research, experiments and other methods of progress, carried on with an open mind, free from bias and prejudice, and directed only at the fullest possible "co-operization" of the world—its influence on those who might be counted upon to look upon it as their natural leader must be truly beneficial. However, here we have 245 pages of literary matter, nine articles, that is—the subjects and writers of which have been carefully selected, and the authors invited under circumstances which make contributorship a privilege—and only two among them all deal with matters really co-operative. Only one so much as attempts to be suggestive of new co-operative work. And of the two co-operative articles, one is purely descriptive, and the other, instead of stimulating to action of any kind, distinctly dissuades from it! That does not mean that the articles are not, as compositions, up to the usual standard or are otherwise uninteresting. Perhaps when dealing with "Social Movements and Reforms in the Nineteenth Century," the particular writer might have been expected to carry his narrative a little further down than just over the oft-trodden ground of only the first half of the past century. That tale has by this time become rather familiar ancient history. Articles on "Robert Owen as a Social Reformer," on the view taken by Liberals of the Education Act, by free traders of the "Sugar Question," on "Conciliation Boards," and on the United Kingdom's "Resources in Live Stock," are all of them bound to possess interest for, at any rate, some portion of the public for whose perusal the volume is intended. But ought not a distinctively co-operative publication, issued by the foremost co-operative society in the world, to present to its readers something more distinctly, suggestively "co-operative," and supply

something more of a guide for co-operative thinking and co-operative acting than it actually does ?

Let us turn to the two articles among the nine which by their titles seem to promise "light and leading." One deals with "Productive Co-operation"—truly a subject full of interest to co-operators. Mr. B. Jones, hitherto the Wholesale stock writer on this subject, having deserted "the Wholesale"—to repose, as appears, in "individualism," after so many years' doughty championship of "collectivism,"—a new Balaam has been called on the scene to "curse me this people"—co-operative producers, profit-sharers, and advocates of co-partnership. His methods of denunciation are very different from Mr. Jones's ; his "curse" is a mere sucking-dove roar ; but the burden of his philippic is the same : Thou shalt not produce outside the "collectivism" of "the Wholesale." It is anathema maranatha. It means "profit" where "profit" there should be none. In the same way "profit-sharing" is made to appear, as the Balloon Street sages would illogically have it appear, as sheer "sweating," inasmuch as it makes labour more productive, just as steam and machinery do, without paying for the excess product at the old, heavy hand-loom rate. And by the light of such reasoning, to the delight of the gentlemen in Balloon Street and Leman Street, our new philosopher taxes Vansittart Neale, Judge Hughes, Mr. Ludlow, Mr. Sedley Taylor and other eminent reformers, with "faulty economics and false philosophy ! " This, in all conscience, is easy attack enough. But it is a mere lyddite shell ; it makes no breaches in the enemy's wall. It is easy enough to call profit-sharers nothing better than "blacklegs," and to speak of the great industrial problem as if it were the mere cutting of a larger piece out of a given cake. Only it remains to be proved that all this is true. And when all this reasoning is made to lead up to a plea in favour of imitating in co-operative enterprise the great despotic American "trusts," and of paying larger salaries, not to the technically skilled directors of tabooed productive workshops, but to the same meritorious persons on whose behalf, not long ago, Mr. B. Jones in the same pages asked for comfortable, well-salaried railway directorships acquired at the co-operators' expense, one is apt to begin to smell a certain rodent animal. In truth, though Mr. Macrosty manipulates his arguments very skilfully in view of his particular auditory, his article leaves the impression on one's mind that he has a great deal still to learn, not only about the "principles and methods" of co-operative production, co-partnership and profit-sharing, but also about their objects ; and also this, that there are not a few working men co-operators very much wiser than he takes them to be, having arrived

at the conclusion that in industrial life as in political, in the words of the late Lord Derby, "our greatest interest is peace," and that an increase in the productiveness of labour, by such methods as profit-sharing, may in value outweigh considerably the mere exacting of more "list-price" for labour left less productive.

The other article promising "light and leading" is that by Mr. James Long, on "Land Settlement for Workmen." There could be no subject more deserving of attention. And evidently Mr. Long is now in sympathy with his subject, and also with co-operation in general—as it is to be feared he was not when in 1895 he became the cosignatory of a report upon Agricultural Banks, presented to the Central Chamber of Agriculture, which distinctly suggests that co-operative banks are not wanted in British agriculture, inasmuch as they render no service which is not already rendered in absolute sufficiency by ordinary banks. This rather astounding statement is altogether in contradiction with facts, and experience has shown Mr. Plunkett to have been more wisely inspired when he took the contrary view. However, that report put a stop for a long time—at any rate, so far as the Central Chamber was concerned—to the prosecution of measures, to which the Chamber was manifestly inclined, for acclimatizing here the practice which has proved so beneficial abroad and in Ireland. Mr. Long has learnt something since then. He speaks with a very different voice indeed. He almost reproachfully bids British cultivators do as their brethren abroad have done all this time—unfortunately without telling them these two most material things, namely, what that something done abroad consists in, and how it may be imitated here; while he goes very near to leading them astray by selecting as chosen models those two not very appropriate examples, motley Austria and little Luxemburg, and devotes only nineteen lines in all (which do not tell much) to the aptest example of all, that is, agricultural co-operation—non-agrarian, unsubventioned, self-reliant and business-like—in the Netherlands. But when, after all this, we look for the actual goods inside the packing, we find little enough. There is a well-worn comparison between foreign subdivision of land (some centuries old) and English *latifundia*, and a preference expressed (which Arthur Young has intelligently anticipated) in favour of small ownership. But of "land settlement," and the way in which it may be brought about for the benefit of working men, more specifically by co-operative means, a single one of those papers read at the International Congress of Manchester (and printed and circulated before Mr. Long can have begun his own article) gives considerably more information. And the proceedings of that Congress, five months old at the time when Mr.

Long's article appeared, also show that the useful method of combining life insurance with purchase by terminable rent charge, which Mr. Long ventures merely to suggest as feasible, on the strength of the opinion of a well-known London actuary, has in fact been in active operation, on a large scale, and with the very best results, in Belgium for years back.

Assuredly one might have looked for a little more direct practical guidance in the leading co-operative serial. As a volume, of course, the *Annual* is all that could be desired—well got up, well printed, generally up to date. Its statistical information and its plates are full of interest. It is a publication which every economist may study with benefit. Is it too much to hope that in future issues the society will try to do fuller justice to its own position, and to its magnificent opportunities and its great power? It might produce something which would not only furnish interesting and instructive reading, but also something calculated to serve from year to year as a powerful guide and stimulus in the direction of progress in co-operation; something telling co-operators—who will gladly take their cue from this instructor—what to do if co-operation is more and more fully to satisfy those many needs which were clearly recognized in the Rochdale programme. It might set forth for the common benefit the great variety of aspects which may be given to co-operation, and by such means extend its realm and make it more fully sufficient for working men's wants. This would be a great benefit, and with such opportunities it seems a pity to miss it.

HENRY W. WOLFF.

L'ÉVOLUTION ÉCONOMIQUE DU XIX<sup>e</sup> SIÈCLE : Angleterre, Belgique, France, États-Unis. Par EM. CAUDERLIER. [246 pp. Crown 8vo. Lamertin. Brussels, 1903.]

M. Cauderlier's idea in writing this book is to controvert Marxian Socialism by means of statistics. These are intended to show that under, and thanks to, an industrial system, the fundamental principle of which is *Laissez faire*, wages have steadily risen whilst the price of necessities has no less steadily declined. The writer quotes from recognized sources of statistical information, and marshals his figures neatly enough. As an argument, however, his essay decidedly fails. For one thing he but barely indicates by the use of Marx's name what kind of Socialism he is attacking. The view that improvements in machinery are to the worker's disadvantage is the only doctrine specifically imputed and met. It may be, however, that a Belgian writing in the first instance for Belgians has the right to treat working-class Socialism as something definite and known.

But no possible considerations of time or place can excuse the other deficiency in his method of presenting his case. For he ignores a fundamental law of economic science, and indeed of science in general, when he reasons that, because wages have risen and prices fallen during the past century, therefore the prevailing industrial system is to be acclaimed beneficent. His figures do not by any means speak for themselves. His duty was to have sought to assign effects to their true causes. As it is, the reader is allowed to convert *post hoc* into *propter hoc* at his own sweet will, and might thus be tempted to draw all manner of strange conclusions from statistical tables so bare and mute. For instance, M. Cauderlier, who is a great authority on the subject of alcoholism, brings forward much interesting evidence to show how in Europe better wages and a bigger national drink-bill go together—a fact which, to be sure, he whole-heartedly deplotes. Might we not, then, argue on his principles that it is alcohol which oils the springs of the industrial machine?

The fact seems to be that our author understands by the present industrial system the whole complex of forces, economic, moral, and political, which, aided to some extent even by those extremer forms of socialistic doctrine against which he writes, have combined during the course of the nineteenth century, though more particularly during its latter half, to bring about a steadily increasing improvement in the material conditions of the working class. The idea of *Laissez faire* with a little stretching can be perhaps made to cover such developments as the law of 1825 which secured for English labour the right of combination, the Reform Bill of 1832, or the repeal of the Corn Laws in 1842. But is not the later factory legislation the outcome of *Laissez faire*? If so, then it is possible to agree with M. Cauderlier in his dislike of the people who want to smash machines, and yet to look forward to more of the particular kind of *Laissez faire* which in this country goes by the name of Socialism.

R. R. MARETT.

#### THE WELFARE AND PROTECTION OF CHILDREN.

Report of the Proceedings of the Third International Congress, held in London, July 15–18, 1902. xxviii., 348 pp. 8vo. 2s. 6d. net. King. London, 1902.]

Taking up the report of an international congress, one is prepared to find much that is interesting to the student, but little perhaps of value to the practical man. Too many points of view are taken, too wide an area is surveyed, and such resolutions as commend themselves to the majority are of so general a character as to have little significance.

Happily this is not true of the volume before us. Owing to the sound sense of the presidents of the sections and the excellent selection of the readers of papers, this report should prove very useful both to those who desire information concerning children, and to those who have the power to work or legislate for their welfare and protection.

Those, who think that the State has fulfilled her duties towards her children, will be rudely awakened by Sir James Crichton-Browne's paper. Here are some of the facts which we must face if we would not see our empire collapse like the Campanile. Of the whole population of England and Wales 77 per cent. are cooped up in cities. The birth rate has fallen from 36·3 to 28·7 per thousand during the last twenty-five years. The infant death rate still averages 153 per thousand births, ranging from 79 in Rutlandshire to 236 in Preston. The population we are keeping alive is increasingly sickly and debilitated. Out of 75,750 men medically examined last year for the army, 22,286 were rejected for various ailments or want of physical development. "And behind this dismal squad of the rejected there must be among the masses huge battalions of patently disqualified men—mentally defective, deformed, crippled, scrofulous, purblind, knock-kneed, flat-footed, narrow-chested,—to whom no thought of soldiering ever occurs." While the population of Scotland has increased  $2\frac{1}{2}$  per cent. in the last four years, crime has increased  $16\frac{1}{2}$  per cent. And more than 15,000 of our prisoners in England alone are between the ages of sixteen and twenty-one.

We cannot expect any considerable improvement of this state until the masses of our people are better housed and the curse of drink is loosened. But the Congress did not deal, save incidentally, with the questions of housing and intemperance. They wisely confined their attention to less complex and more practical problems. Sir James Crichton-Browne laid much stress upon insufficient feeding. He believes that "the tea, bread and butter diet" is largely responsible for the stunted growth, the weakly frame, the incapacity for hard continuous work, the morbid acquiescence in poverty, that characterize a quarter of our population. Mothers are grossly ignorant or careless about the food of their babies. The old death-trap feeding-bottle is still in common use; prepared milk is not properly sterilized; infants are fed on potatoes, cheese, bacon, and beer, and dosed with laudanum to keep them quiet. "The ignorance of mothers and foster mothers," as a lady inspector said, "is appalling, and only equalled by the obstinacy with which they refuse to listen to suggestions." Much unnecessary debility and loss of life are caused by the overcrowding and want of medical inspection in infant classes, through which infectious diseases

rage like a forest fire. The facilities offered to vicious parents for throwing the care of their children upon the State, and reclaiming them as soon as they are capable of earning a few shillings, destroy the good work done by our reformatories and industrial schools. And, as Mr. Peacock, the Chief Constable of Manchester, showed, street-trading by children is nearly always productive of moral degeneracy. "The boys develop into lazy, shiftless, and worthless men; whilst the girls go downward to the lowest depths of shame."

Various resolutions were passed dealing with these and kindred problems. Mr. C. S. Loch states very clearly the principle which must guide all action, whether of the State or the municipality, for the welfare and protection of children. The family must be regarded as the unit. "Experience shows that the old theory of social life still holds good—that the care of the parent to his child should be repaid, if need be, by the child in the parent's lessened strength and old age, or, indeed, throughout life." Neglect of this principle has wasted the endeavours of much philanthropy, and led "to much intervention which does not work with natural forces to ultimate success and lessened interference." The object of legislation must be not to isolate the child from the parents and to destroy the obligations of the one to the other, but to strengthen and elevate the family. By the transfer of private duties to the State three souls may be lost—each of which is responsible for the making (or the marring) of the other two—the father's, the mother's, and the child's.

There are, no doubt, cases where the child can only be saved if it is withdrawn from the parents; but Mr. Loch's contention that "to weaken the family is to spoil the child" is substantially true, and must be the guiding principle of legislation in behalf of children.

Such a principle as that urged by Mr. Loch cannot be carried out merely by passing Acts of Parliament; it requires wide experience and special knowledge of the particular cases to be dealt with on the part of those whose duty it is to execute the law. So we find two general characteristics of the resolutions passed by the Congress; they ask for wider discretionary powers for boards of guardians, controllers of reformatories, and municipal bodies; and they urge the importance of inspection and education. They advocate the extension of the Manchester system for the instruction of mothers on how to feed children, and suggest that systematic arrangements should be made for the better education of girls in the care of children before leaving school. Children boarded out within the union should be inspected by the Local Government Board's lady inspectors as well as those boarded out without the union. There ought to be a regular medical

supervision of schools. Municipal bodies should be compelled to regulate the evils of street-trading by methods such as those employed in Liverpool and Manchester. Voluntary homes for children, either wholly or partly supported by charitable subscriptions, should be registered and inspected. Cases up to eighteen years of age should be admissible to reformatories. The laws relating to the control and welfare of children should be considered by a departmental committee or Royal Commission, with a view (1) to prevent the influence of bad parents on children placed under institutional care, and (2) to lessen the temptations for parents to leave the maintenance of their children to public authorities.

Want of space prevents any full discussion of these questions in detail. For that I must refer readers to the volume itself, which can be recommended to all without reservation. Though the papers have been written by men and women who are specialists, they are most interesting and full of good sense. It is much to be hoped that the recommendations of the Congress will soon be carried out.

A. J. JENKINSON.

THE AMERICAN COTTON INDUSTRY. By T. M. YOUNG.

[xvi., 146 pp. Crown 8vo. 2s. 6d. Methuen. London, 1902.]

This very readable little book is a republication of the results of an inquiry carried on during the first half of 1902 in the United States. The substance of it has already appeared in the columns of the *Manchester Guardian*. The vast strides made of late years by Americans in what Lancashire has been accustomed to regard as its peculiar province—the manufacture of cotton goods—have created a feeling of uneasiness in the trade. Mr. Young has attempted to discover the true sources of this form of transatlantic activity by investigation on the spot. Several have already been named, such as the closer proximity to the supply of raw material, the greater energy of the American operative, his superior ingenuity and inventiveness, and the more enterprising and adaptive character of the American manufacturer. Mr. Young discounts the first. The freight charges from the cotton-growing States to New England, the great seat of the industry, are no lower than those to Liverpool and Manchester. Wages are very low, from a cause that will presently appear, but low wages do not spell cheap labour. And the Southern mills are largely financed by commission agents in the North. Nevertheless, he holds that the rivalry of the South may become in time more formidable, alike to the Northern and the British manufacturers, than it can really be at present. He does not believe in the superiority

of the American operative, although his output is nearly double that of his comrade in England. In the New England mills he is commonly not of American stock at all, but German, Russian, Greek, or Armenian. If he is English or Scotch, his output is equal to the American's. The automatic loom, so extensively in use in transatlantic mills, was originally invented by an Englishman. So were several other mechanical contrivances. The real cause, in Mr. Young's opinion, is that the American employer is quicker to recognize and more willing to reward high administrative ability in his immediate subordinates, more receptive of, and even eager for, new ideas, and readier to venture upon, and sink capital in, new and experimental methods. The American is keen to seize upon and to appropriate a new invention, to give it fair trial, and is prepared to detect and to remedy its defects himself. The Englishman wants to know, first of all, what has been the experience of other manufacturers with regard to it. However, the English inventor of an important improvement in textile machinery admitted to Mr. Young that there were symptoms of a new spirit springing up among his fellow-countrymen.

Factory legislation is very much more adequate in the New England than in the Southern States, as, indeed, might be expected from the superior energy of the inhabitants of the former. Even in Massachusetts, however, the standard of comfort among the operatives—most of them Europeans or French-Canadians,—is not high enough to discourage the employment of married women in the mills. Not only are cash wages higher there than in England, but real wages are so too, since Mr. Young is of opinion that, for most of the commodities required by working-class consumers, a given amount of money will go as far in New England as in Old. This is noteworthy in view of America's high protective tariffs. However, he met with four- or five-roomed cottages no better than those in Lancashire manufacturing towns, but let at half as much again. Still, in some respects, the American has more petty expenses than the Englishman. In Mr. Young's opinion, it is only the superior machinery and labour-saving contrivances of the New England mill (to which may be added the somewhat longer hours) which make it possible for employers to pay higher wages to hands generally inferior in dexterity to the Lancashire operative. In the cotton-growing States, wages are much lower, the working-day much longer, and, in regard to the employment of children, this part of America is about half a century behind English time. It was stated in evidence at an official inquiry that 30 per cent. of the hands in some South Carolina mills were children between five and twelve years of age, and in one which Mr. Young was shown

over he observed that children seemed to do three-quarters of the work. However, they are not much employed in the night-shifts, the managers say, because they cannot be kept awake.

It is to be hoped that this study of facts on the spot may have a wide circulation among both the employers and the operatives in our own cotton industry.

C. H. D'E. LEPPINGTON.

LA REPUBBLICA ARGENTINA, E I SUOI MAGGIORI PROBLEMI DI ECONOMIA E DI FINANZA. By PROF. E. LORINI. [xxxi., 504 pp. 4to. 20 lire. Loescher. Rome, 1903.]

The rapidly increasing importance of the Argentine Republic as a commercial State, and the large amount of European capital invested in the country, more than justifies the publication of any book dealing with its financial and economic problems. Since the crisis of 1890, there has been a remarkable development of trade and credit in Argentina, till the returns of 1900 showed that more than £122,000,000 of foreign capital were invested in the Republic. When we remember that by far the greater part of this is invested in railways, which are almost entirely in the hands of one English firm, and that 34 per cent. of the whole imports and 15 per cent. of the exports (chiefly, of course, of live stock) are English, we shall realize the particular interest that Argentine financial matters have for this country.

Professor Lorini's monograph, therefore, deserves a ready welcome. But it must be admitted that it is not likely to be actually read by more than a very few. Though the author has had the advantage of first-hand information, and personal observation of the financial difficulties of the country, the result, as set down in the five hundred pages of his work, is, to say the least, rather heavy.

The book is divided into three parts. The first deals with the monetary question, its history, complications, and the reforms effected by the "law of 1899." This law converted the paper currency (at that time about £25,000,000) into gold dollars at the rate of 44 cents gold per paper dollar, and formed a conversion fund. It was necessitated by the reckless extravagance of the years 1886-1890, to meet which the mortgage banks issued *cadulas* (bonds) on worthless property securities. The inevitable result of this policy was the spectre of bankruptcy. Five years at least must elapse before the fund suffices to complete the conversion. In this part of the book the author also touches upon the difficulties of the future, the chief of which is the appreciation of the currency. The most interesting chapter is that on credit and banking.

The second part consists of two hundred pages of statistics, sufficiently bewildering to the coolest mathematician, but such as delight the heart of the Italian Government (under whose auspices the book is written). The Appendices, of which Part III. is composed, include the text of the Argentine Constitution, of some of the monetary laws (including that of 1899), and replicas of some of the paper money issued by different banks.

The book, then, is interesting, and may be of value; but it can hardly become popular.

W. B. RIDDELL.

**THÉORIE DE LA VALEUR:** Réfutation des Théories de Rodbertus, Karl Marx, Stanley Jevons et Böhm-Bawerk. Par CHRISTIAN CORNÉLISSEN. [414 pp. 8vo. 4 frs. Reinwald. Paris, 1903.]

This is the first volume in a series entitled "Bibliothèque d'Histoire et de Sociologie." Its tendency, like that apparently of the whole series, is avowedly communistic (pref., p. viii.), and it is meant to serve as introductory to an exposition of the writer's general theory of capital and profit to be made in a second volume. As might be expected the author's differences of opinion with Karl Marx and Rodbertus are, for the most part, of a formal and unimportant character, and such interest as the book possesses lies in its assaults on the theories of Jevons and Böhm-Bawerk. Unfortunately M. Cornélissen directs his main attack precisely at those points in the Jevonian and Austrian doctrines which are most easily defensible. In the interests of his general theory, he finds it desirable to insist on the importance of cost of production as a factor in the creation of value, and he repudiates with some vehemence Jevons' assertion that the labour expended in the past on any given object cannot be taken into account at all in connexion with the determination of its present value. M. Cornélissen himself, however, incidentally cites instances which fully bear out Jevons' view on this point. "In the year 1900," he remarks, "the fruit-growers in the neighbourhood of Paris had to let their cherries and gooseberries go to waste on the trees and bushes because they could not get enough for them to make it pay to gather them and bring them to market" (p. 83). Here the cost of production of cherries and gooseberries in the shape of planting, pruning, cultivation, manuring, etc., was no doubt the same as in other years, but it had not, for all that, any effect whatever in conferring the smallest degree of value on the product.

In his assault on other features of the theory, however, the writer is

more successful. The following with reference to Jevons' utterly unwarrantable postulate of homogeneity in regard to the subject-matters of exchange generally is worth quoting. "A theory which treats the value of commodities as based on the 'utility of the last infinitely small fraction' (Jevons), or 'the utility of the last specimen' (Böhm-Bawerk) is plainly unsustainable, simply because the division of commodities into 'quantities' and 'fractions,' or into specimens distinguished by number only, is a principle that cannot be logically maintained. It can be applied to water, a substance so dear to Jevons, or possibly to beef and to wheat, but to say that the value of a house, a museum or a factory is determined by the value of its last fraction would be to make a statement altogether devoid of rational meaning" (p. 51).

The assumption indeed that the things that are sold in the market at so much per pound, or so much per bushel, the *res fungibiles* of the Roman law, are coincident with wealth universally is certainly an amazing one, though it is one, it must be remarked, that is not confined to Jevons and his school. It is made by such writers as Sir Robert Giffen when they speak of the fall in "prices" in the eighties or the nineties as being due to the "appreciation of gold." The prices they allude to are the prices of these *res fungibiles* only, and represent probably about one-fifteenth of the wealth of any given country at any given epoch. So far from the depression of such prices being an unfailing index of the depression of the prices of everything purchasable, it is, on the contrary, the case, as Tooke long ago pointed out, that depression in these prices is usually accompanied by high values for land and for securities, as well as, it may be added, for ornament, for *bric-à-brac* and for articles of luxury generally.

Another and a cognate feature of the Jevonian theory which M. Cornéissen attacks with some effect lies in its omission to recognize the importance of the revolution which has been effected in the nature of commercial exchange of every description by the development of money, and with it of the standard of value and of the modern industrial system.

"From beginning to end," he says, "all this exposition of exchange transactions between men recalls pre-capitalistic conditions of production, when men produced mainly for their own use alone, bringing to market nothing but the surplus left over after their own wants had been supplied. . . . Such a condition of things contrasts essentially with the fundamental principles of modern social life. The wage-earning operative of our days, engaged in his trade as an upholsterer or a lapidary, or perhaps in working a steam-hammer, cannot

conceivably be regarded as being induced to exchange the commodities that he produces by the fact that he finds himself possessed of more than he needs, and thus comes to attach to them a diminishing degree of utility. The theory, too, which obviously has no sort of possible application to the immediate producers in our social order, to the modern wage-earning labourers, is equally false in its application to the modern capitalistic *entrepreneurs*. The idea that the shareholder in a railway company or the proprietors, say, of a diamond-cutting establishment, of a weaving factory, or of an iron foundry, are people who find that they are producing more of these commodities than are needed to supply their own special requirements, and that thus the utility of such commodities to themselves is to such an extent diminished that they are led to bring them to market, is assuredly an idea remarkable for its *naïveté*" (p. 99).

M. Cornéliissen here, I think, lays his finger on one of the weakest points in Jevons' and Böhm-Bawerk's line of reasoning. The cause of the exchange of products in the pre-monetary era might perhaps be viewed as being ordinarily to be found in the fact of their diminishing utility to their respective producers as their quantity increased. Its cause, as regards producers under modern conditions, can never conceivably be brought under such a formula. The development of money has divided economical life into two departments, production and consumption. The sole thought of the individual as producer is nowadays to acquire as much purchasing power, that is as much money as possible, and, alike in his labour in the production of commodities and in his endeavours to market them to the best advantage, no consideration whatever connected with their direct utility to himself ever, as a rule, enters his mind. All that he speculates about is, as M. Cornéliissen remarks, their probable utility to other people. Böhm-Bawerk indeed himself concedes this much. He observes that for the modern producer the marginal utility of his own products is usually at zero, but he does not appear to see that such a concession cuts away entirely the foundation from under the whole superstructure of mathematical economics, and leaves it standing unsupported in mid air.

WILLIAM WARRAND CARLILE.

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## SHORT NOTICES.

LONDON STATISTICS, 1900-1. Vol. xi. Statistics printed by the London County Council during the year 1900-1, etc. [cxxxviii., 803 pp. Fol. 5s. King. Westminster, 1902.]

This portly annual continues to bear witness to the activity of the most active municipality in the world. The first sixty pages are occupied by statistics relating to the port of London. The number of steam ships using the port more than doubled between 1873 and 1899, and is still increasing rapidly, while the average tonnage of the vessels increased from 443 to 656, so that the total tonnage more than trebled in the twenty-six years. The tonnage of sailing vessels, which was not very much less than those of steam ships in 1873, fell about one-third. More than half of the existing sailing tonnage using the port consists of vessels trading with the estuary of the Thames.

THE STATE IN ITS RELATION TO TRADE. By T. H. FARRER. With Supplementary Chapter by SIR ROBERT GIFFEN, K.C.B., F.R.S. [208 pp. Crown 8vo. 3s. 6d. Macmillan. London, 1902.]

Even after the lapse of some twenty years Sir Robert Giffen does not find it necessary to make many serious corrections in Lord Farrer's original treatment of this subject. Statistics have to be brought up to date; the influence of political, as distinct from economic, considerations upon the questions of Free Trade and Protection have to be taken into account; and the tendency towards State interference and Municipal enterprise has become more marked. With regard to the currency question in India, it is pointed out that Lord Farrer departed from his own doctrine in practice. But, on the whole, Sir Robert Giffen is justly content to signify the practical character of the book, and to recommend it to students and public men.

ANNUAIRE DE LA LEGISLATION DU TRAVAIL. Publié par l'Office du Travail de Belgique. 5<sup>e</sup> année, 1901. [xvi., 632 pp. 8vo. Lebégue. Brussels, 1902.]

The little nations of Europe have many merits, and among them must be reckoned the publication of this useful annual by Belgium. The British empire has special cause for gratitude, seeing that it occupies no less than 274 pages. Of course the English student of comparative legislation would prefer that the Colonial and American laws should be given in their original tongue rather than in French, but it is better to have them in French than not at all, which is the alternative.

## THE FEEBLE-MINDED.

**F**OR many years past the Charity Organization Society has been endeavouring to impress upon the public mind the fact that we cannot cure social evils by treating symptoms, and upon the public conscience that it is our bounden duty not to rest content until we have traced those symptoms to their cause and done our utmost to remove that cause when found. Slowly, very slowly, we are learning to connect cause and effect; to see that a good tree cannot bring forth evil fruit, that there is truth in the old proverb, "Like father, like son," and that, if we would see future generations sound in mind and body, we must look to the mental and physical health of the children of to-day.

We are learning even more: we are beginning to see that it is imperatively necessary, not only that the great mass of our population shall be so bred and taught that they may become healthy and moral parents, but also that those who, by reason of physical or mental defect, can never become normally healthy in body or mind, should be prevented from taking their share in the production of the race. I believe it is because of this lesson, which we are so painfully and unwillingly studying, that so much attention has of late years been directed to our most miserable fellow-creatures, the mentally unfit. I know that, in my own case, when, after years of work amongst the poor, I rather suddenly realized that nearly 2 per cent. of our elementary school children would never be fit to undertake the direction of their own lives, I also realized that three-fourths of our charitable work must be absolutely wasted if we could not, by some means, take possession of those feeble lives, and make certain that they should not have the opportunity to reproduce themselves.

In all work for our fellow-creatures, the sound maxim of "Thoroughness" should be persistently kept in view, but it is most of all imperative in regard to work for the weak in intellect. Better let it quite alone than half do it; better leave our weakly brethren to fulfil their destiny without our interference than protect them for a part of their lives, propping them for a while, only that their fall may ultimately be more disastrous for themselves and for others. For it needs to be understood from the outset that the feeble-minded cannot be taught to stand alone. You might as well say to the one-legged man, who is proficient in the use of a crutch, "You can walk well now, my friend; give me your crutch and go ahead," as say to the weak-minded man whom you have trained in good habits, "Now you can work; go out and take upon you the ordinary duties of a citizen."

Weakness of will is the most common characteristic of the feeble-minded: nor can the lacking will-power be made to grow up within them; it must be supplied from without. As the lame man needs his physical crutch, so the weak-minded needs his mental crutch; all his life long he must be propped and guided. In short, though it is a hard saying, weakness of intellect is not a curable disease. We ought clearly to understand that no one can honestly promise to cure the sufferers who are such a curse to themselves and to society. No one can make the faulty brain into a perfect one, change the diseased rickety body for one glowing with health and beauty, and strengthen the feeble will so that it has all the power of the highest and strongest of God's creatures. But science has shown us what we can do if we only will. We can develop the faulty brain in those directions in which it has power; we can minimize the bodily weakness and suffering; we can give the feeble will right guidance and support, so that, for every sufferer who comes under our care, life shall be made as pure and holy and happy as his physical and mental limits will permit. More, far more, than this: we can so guard and protect that life that those terrible physical limits shall not be handed on to a third and fourth generation. This is what we must aim at, *since weakness*

*of intellect is hereditary, and hereditary in an increasing degree.*

In America the term "feeble-minded" is made to cover the whole range of persons suffering from congenital mental disease, from those who are only slightly defective to those who are imbecile or idiotic. In England, however, it is properly confined to those who have been described by the Commissioners in Lunacy as—

"persons who are not the subjects of such a degree of mental unsoundness as, in the opinion of the medical officers, renders them certifiable in the present state of the law, and are, therefore, unable to be detained against their will, *although they are not sufficiently of sound mind to be able to take care of themselves.*"

They thus form a class between the sane and the certifiable insane.<sup>1</sup>

It is to be regretted that the managers of some idiot asylums, prompted by a very natural desire to see more definite results from their labour, should have altered their titles to "training-schools for the feeble-minded," and, notwithstanding that all their inmates must legally be certified to be idiot or imbecile, should be making great efforts to admit only improvable or high-grade cases. It is to be regretted on three grounds: first, there is at present no other refuge for the idiots, excepting the workhouse; secondly, it is not possible to exclude all idiots, and it is most undesirable for high-grade and low-grade cases to be together; thirdly, and most important, none of the idiot asylums aim at permanent detention for their cases. This is particularly unfortunate in the case of the feeble-minded. It was to be deplored that idiots should be discharged after a period of training, no matter how admirable that training might be; it is a far greater danger to society that higher-grade mental defectives should be educated and then turned loose to become

<sup>1</sup> It is to be observed that the certifiable insane suffer from two forms of disease: acute lunacy or madness, which may be temporary, and may arise from many causes; and idiocy or imbecility, which are permanent conditions. Idiocy is congenital; imbecility may be congenital, or may be the result of brain-disease. Both idiocy and imbecility are more severe forms of feeble-mindedness. With acute lunacy I have nothing to do here, except as the parent of weakness of mind.

parents of a succeeding generation. After all, though idiocy by no means protects a man or woman from the dangers of parenthood, every one recognizes a drivelling idiot; the more nearly the patient resembles a sane person, the greater the risk, and the greater the necessity for life-long detention. It is from the class of the merely feeble-minded that the ranks of the idiots and imbeciles are recruited.

Probably the regulations of the idiot asylums as to detention were made under the impression that idiocy was a curable disease—a trouble out of which persons could be educated. The impression is still widely prevalent, especially with regard to the feeble-minded. If only the statistics concerning these poor souls could be made to fit the law, we should have none over the age of sixteen—except, indeed, they were paupers under the Metropolitan Asylums Board. This Board has of late taken very wise action: it has sorted out its improvable certified cases and separated them from the low-grade patients at Darenth, and has also taken steps to secure detention for weak-minded pauper children up to the age of twenty-one. It is hardly to be doubted that by the time the children have reached that age the Board will desire further powers.

But for the bulk of weak-minded children the law assumes that their incapacity stops at the age of sixteen. That is, power is given to the education authorities to provide education suitable for their needs up to that age, if they choose. Some authorities do so provide to a limited extent; but almost all weak-minded children are entirely unprovided for, and after the age of sixteen there is no law, out of London, by which they can be provided for.

Let us consider, then, what happens to them; and for this purpose we must return for a moment to the question of heredity, a question which is of interest as regards the past, but of vital importance as regards the future. The child of the man who is merely weak in intellect is very likely to be an idiot. Dr. Caldicott of the Earlswood Asylum says—

“In our statistics the one cause that stands prominently forward is heredity, and the more accurately we are able to penetrate the family history of our cases, the more we are forced to the conclusion that a

very definite neurotic taint is found in the direct and immediate progenitors. For my own part, I believe this to be as high as 70 to 75 per cent."

Dr. Müller of Augsburg also says that heredity accounts for 70 per cent. of weak-minded persons. It is well to note, too, that the accurate family history of which Dr. Caldicott speaks is exceedingly difficult to obtain. Sometimes people cannot speak the truth; sometimes they will not. I have in my mind, at the moment, a little girl of seven years old who is a dangerous idiot: when the parents were examined they could not give any information as to heredity trouble, but since the child came under my notice the father has been removed to a lunatic asylum. Again, the mother of a weak-minded epileptic boy declared that no member of the family besides the child suffered from epilepsy; but a longer acquaintance with her proved that she herself suffered severely from the disease. In yet another case the mother, who brought me her weak-minded girl of thirteen, and who is a very respectable and intelligent woman, denied any history of mental trouble amongst her own people, though she admitted it on her husband's side; I was, however, able to ascertain that her mother committed suicide, that her sister was out of her mind, and she herself had been in an asylum.<sup>1</sup>

Mr. Butler, speaking at the American Association for the Advancement of Science, said—

"While it is easily possible for parents of normal faculties, through dissipation, vice, or disease, to produce feeble-minded offspring, there seems no method by which the tendency can be reversed, and the degeneration thus easily accomplished replaced by regeneration and restoration in succeeding generations. . . . Usually, and in a large number of cases, feeble-minded children are the offspring of feeble-minded parents. It is equally true that, in the majority of cases, the children of feeble-minded parents are feeble-minded."<sup>2</sup>

<sup>1</sup> The reasons given by ignorant people for their children's weakness of intellect are various and peculiar. The most remarkable, perhaps, was advanced by a woman who dated her child's defect from the use of a steam kettle. The steam had "fogged his brain," and he had never been right since.

<sup>2</sup> *A Notable Factor of Social Degeneracy.* By Amos W. Butler. [Reprinted by the Lancashire and Cheshire Society for the Permanent Care of the Feeble-minded.]

Mr. Butler says further, "For various reasons which will occur to you, the mothers are often known when the fathers are not." He gives the case of a feeble-minded man married several times, who had twenty children. Regardless of the fact that there are three feeble-minded boys of school age to every two girls, we are too apt to concentrate our attention on the feeble-minded women. Who shall count the children of the feeble-minded men? Who thinks of them?<sup>1</sup>

I find that at Bath, for instance, there was, two years ago, a male pauper, aged twenty-one, in receipt of out relief. He is mentally defective, but not bad enough to be certified as a lunatic. Who can say what may be the disastrous consequences of leaving this man at large? For the climax of folly to be reached, it only needs for the authorities to go one step further, and do what was done by the Bumbles of two American villages some while ago—provide a suitable wife for him from a neighbouring parish. Nor need we look on this as an altogether impossible thing, even in England to-day. It is not long since I was told, on first-rate authority, of the governors of a deaf and dumb asylum who encouraged their patients to marry each other on leaving, in order that they might be more like other people. At Bridgewater there were, I find, twelve persons of unsound mind, not idiots or lunatics, receiving out relief. They varied in age from eighteen to ninety, but were mostly young. Let me quote once more from Mr. Butler, to illustrate the result of leaving such people as these at large.

"A feeble-minded woman . . . has been in the poor asylum over twenty years, was the mother of two daughters, to whom she trans-

<sup>1</sup> In a recent report by the medical officer of the London School Board, the "tendency to transmit the strain of feeble-mindedness" is spoken of as being "apparently chiefly through the mother." It is extremely difficult to obtain correct information as to the condition of the fathers of weak-minded children. It is almost always the mother who attends to give information to the medical man who admits to the special class. If she is weak-minded, the fact is apparent, and weak-minded women who bear children are more likely to be noticed at every crisis of their lives than weak-minded men. I believe that in the majority of cases in which the mother giving information as to her weak-minded child is obviously sane, a correct family history would show weakness of intellect on the father's side. My own statistics (and I have a list now of over 1100 names and addresses of weak-minded cases) show quite as frequent transmission from or through the father as the mother.

mitted her mental defect. One of these feeble-minded daughters—Rachel—has been twice married and has borne eleven children, three of whom are now dead. Her children are very ignorant, but *so far* our records do not show that they have been the inmates of any public institution, with the exception of one son who is in prison. The other daughter, Kate, has four children, all girls, two feeble-minded and two illegitimate. The two feeble-minded daughters have spent much of their lives in the county poor asylum. One of them, Nancy, became the third wife of a feeble-minded paralytic man, and one son and three feeble-minded daughters were born to her. Her husband's second wife had a feeble-minded daughter who married an insane man, and they have one child, a son. Nancy's feeble-minded sister, Lou, married a feeble-minded man, and three daughters and two sons have been the result of their marriage. One of the daughters is feeble-minded. One of the sons, also feeble-minded, is a natural criminal. *The direct descendants of the feeble-minded woman first mentioned, number twenty-nine, and in the past ten years twelve of these persons have spent an aggregate of twenty-two years in the poor asylum and orphans' home of the county. The total family members reported number forty-seven, and extend over five generations."*

With a little care it would be easy to adduce similar instances of transmission of the trouble in our own country. Living near to me is a woman who, at sixteen, married a half-witted man; he is known as Silly Tom, and earns a precarious living by selling copies of the *War Cry*. She has had ten children and buried eight; the two survivors are both girls, very feeble in intellect. In one London workhouse to-day there is a woman who, year by year for long past, has come into the lying-in ward with her baby. Now more than one of her daughters is doing the same, and she has several grandchildren, all feeble-minded. In one Somersetshire workhouse there is an imbecile woman with an imbecile daughter and an imbecile grandchild. In one house which I visited in Manchester to make inquiry for a feeble-minded boy of school age, I found also his sister of thirty-five, weak in intellect, deaf, nursing her third illegitimate child. In another, where I went on a similar errand, as well as the boy I found two almost imbecile young men, "good for nowt but to polish th' fire-irons." The child himself had been put to bed in an upper room and left there, his clothes having

been pawned, so soon as it was certain that the school attendance officer would not call; the mistress of this horrible family—I could not make out whether she was mother or grandmother—was a much diseased old woman of whom it was difficult to say whether she was most bad or mad. In cases of much better social standing than these we still find, where we can obtain truthful reports, the same history of heredity. For example, a respectable working man brought his boy to me, at his wits' end to know what to do with the child. He is a nice-looking little boy of twelve, in his third standard at school, where he has never attracted any special attention. He keeps his father in constant trouble on account of his moral weakness; he steals—apparently will steal anything—if he is told to do so. The other day he took a jar of “toffies” from a shop counter, at the instigation of an elder lad; took a ring and sold it for a penny to an older lad (who pawned it); has taken pencils, and so forth, at school. He lies, too, in the face of absolute evidence that he is lying. At times he has wild fits of rage, and screams so as to alarm the neighbours. Yet, in my room, he appeared, as he has done at school, a gentle docile little fellow. He owned very readily and without shame to all his misdoings, telling me how he had managed. *His father's sister died insane.* However, it is generally admitted that weakness of intellect is hereditary, and we need not spend more time on that point. We may well say, with Mr. Butler, “Does anything else reproduce itself so surely?” Such a case as this last one I have cited brings us naturally to the question—What becomes of the weak-minded children when they pass beyond the cognizance of the law; when, at the age of sixteen, they legally cease to be elementary school children?

In Birmingham an After-care Association has been formed to look after and protect the children dismissed from the Special Classes. This association recently made the following Report on forty-six cases on the list of the committee.

“(1) *Eighteen are at work*, and earning wages varying from 2s. to 12s. 6d. a week. The average weekly wage of these eighteen is 7s. 1d.

“(2) *Two work with their fathers*, and receive no wages.

"(3) *Four are out of work.*

"(4) *Seven are incapable of work* under ordinary circumstances, but could probably contribute to their own support if under proper supervision in a colony. Their homes are fairly good, but on the death of the mother they will have to go to an asylum or workhouse.

"(5) *Six should be placed at once under control* in an asylum or colony.

"(6) *One is dead.*

"(7) *One has gone to the workhouse.*

"(8) *Four cannot be traced.*

"(9) *Three have left Birmingham.*

"Total *forty-six.*

"*Remarks.*—It should be borne in mind that many of these cases have frequently changed their situations, losing a varying number of weeks' work during the change. Therefore, the average year's earnings would give a lower figure per week than 7s. 1d.

"Judging by the information collected by the members of the After-care Committee, at least ten of the cases under the first heading, namely *those at work*, will never become self-supporting."<sup>1</sup>

This Report does not present a very brilliant outlook for the trained feeble-minded child, merely from the wage-earning point of view—which, we must remember, having always the future generation in our minds, is the least important. And this is his outlook in the most favourable circumstances, with a kind friend always at his elbow, trying to push him into suitable employment. There are but few towns where After-Care Associations have been formed, and only in Birmingham have they yet had time to do any work. For the most part the boys and girls are turned out of the special classes to do the best they can for themselves. Briefly, what happens as a rule is this; a boy leaves school quite unable to take care of himself; very often the one wholesome guiding influence of his life ceases with his school-days, since it is frequently the case that the parents are very little stronger in mind than the child. Their one notion is to make him earn money for them. He knows no skilled work, and cannot keep a situation if he gets

<sup>1</sup> I am indebted for these particulars to Mrs. Pinsent, of the Birmingham After-care Committee, who has done and is doing invaluable work, both in helping the mental weaklings and in collecting information.

one ; sometimes capriciously leaving his work, sometimes being discharged, not generally for physical inability to perform his task, but for some irregularity or eccentricity. Then he comes upon the streets, sells matches, shoe-laces, papers, and generally ends by turning up in gaol. By this time he has become used to a vagrant life, and as he can only move along the path of least resistance, and as it is made so much easier for him to go wrong than right, he goes wrong persistently, and becomes a confirmed criminal. So he grows up through a pitiful and degraded youth to a pitiful and degraded manhood, and dies, leaving behind him offspring to carry on the horrible tradition. If we think, we shall see that this is only what might be expected.

Two qualities seem to be common to the very great majority of weak-minded persons—a love of music which often amounts to a capacity for music, and a great weakness of will-power. The first of these is very interesting, but not an important factor in the child's life, excepting as a source of happiness, and, occasionally, as a source of danger. I know a little fellow who is in constant additional risk because he can sing, and is enticed into public-houses to display his talent. Though distinctly abnormal in intellect, he has brain-power enough to enable him to sing intelligently as well as musically ; but that is not the case with most weak-minded children. In nine cases out of ten, however, which are brought to me, a history is given of special delight in music. Often the parents will say, "I don't think he can be so very bad, he is so clever at music." I know one idiot epileptic boy who has almost no intelligible speech, who plays tunes on a mouth organ correctly and with great delight. Unfortunately, a large mouth organ is rather a dangerous weapon, and he can only be allowed a small one. I know a weak-minded paralyzed youth of eighteen, who listens delightedly to the best music, and loses his temper only when he hears a barrel-organ or incorrect playing. His sister makes her living by teaching music. Yet another case has been reported to me, who is the son of a vicar and has sufficient musical knowledge to conduct his father's choral services. In

our special classes it is always noticed by visitors that the singing is particularly tuneful and sweet.

This, as I said, is interesting, and opens up a field for speculation as to abnormal mental gifts, faculties which are beyond the control of the will and cannot be acquired, such as are found in musical and mathematical geniuses. But it is the other characteristic of the weak-minded which gives so much cause of apprehension as to their future. What can life be for an unprotected youth who has absolutely no power of self-direction? He must become the victim of every vicious person in whose path he falls. The little lad, whose case I quoted above, stole because he was told to do so; another, who is in our schools to-day, put a stone through a plate-glass window at the instigation of a boy of five; another, past school age, who is at work, has several times taken money because he was threatened by other boys. Twice of late I have noted cases in the Police Reports in which boys of weak intellect have been charged with attempted train-wrecking, in conjunction with other youths who were normal in mind. How obvious is the next step!

Read this case. J. W. (26), and W. J. (20), were charged with a series of thefts and burglaries. The young men are tailors, and have been working together.

"Mr. A. Jones, on behalf of J. W., said he could say nothing in excuse or extenuation of the offences, and he could suggest no motive. The prisoner had no earthly reason for committing the series of felonies, and the only explanation was that from childhood he had been of an adventurous spirit, and that he embarked upon these enterprises more in the spirit of bravado than with any serious intention of profiting by what was stolen. He was not in need; he was not intemperate; nor did he do any betting, and he was respectably connected." "Mr. Gibbons, on behalf of the other prisoner, suggested that he had been influenced by J. W., and gave medical proof that he was of uncertain intellect, and one who might be easily influenced to do wrong." "The judge said he could not at all understand why J. W. committed the crimes. . . . He also told W. J. that, whether he were clever or not, he must be good."

Both were sentenced to imprisonment.

Is the judge the only one who "cannot understand"? Is it

not only too likely that the elder prisoner did not understand himself? And as to poor puzzle-headed, easily persuaded W. J., can anything be more futile and foolish than the method of the law in dealing with him? He is told he must be good, even if he is not clever, and is sent to gaol for two months, to come out minus a character, dropped to the level of other weak and wicked human beings. It would take a very clever person to be good in such circumstances, and W. J. is not clever. The whole action of the law, as it stands at present, tends to aggravate the evil with which we want to deal. Take the case of the juvenile criminal; he cannot be committed to any reformatory if he be known to be of weak intellect, nor can he be sent to any residential home for feeble-minded boys, because there is none certified by the Home Office. Again, Mr. Holmes, the prison missionary, author of *Pictures and Problems of the London Police Courts*, told me that he had known a boy to be committed to a reformatory twice within six months, because by the police court authorities his true condition was not recognized. Placed under observation for a time, in circumstances which did not permit of his displaying any eccentricity, he was certified as "fit," and despatched to an institution. There his unfitness soon became apparent, and he was discharged, to come again upon the streets and be again committed.

We must remember that theft is the least harmful of the crimes likely to be committed by the weak-minded. He will be the slave not only of mischievous suggestion from without, but of all his own animal passions, and these will increase in strength with indulgence. It is probable that a large proportion of cases of assault are due to weakness of intellect on the part of the criminal. We must all have been struck by the absolute want of purpose in many of the crimes we read of in the police reports. According to the predominant tendency of the boy's mind will be the particular nature of the trouble he will fall into. J., for example, is a lad who can do a certain amount of head-work, though he is behindhand. He is fairly strong physically, and will probably be able to maintain himself after a fashion as a labourer. But he is one of that peculiarly difficult

class of children who have no moral sense. He is exceedingly mischievous, and shortly before I saw him he had procured a box of matches and set fire to the cloaks in the school cloak-room. Little L, again, is another boy of this kind: he is destructive to the last degree, and having set his heart on accomplishing one particular piece of mischief (the pulling down of a piece of lead piping from a wall), even very severe physical punishment several times inflicted would not keep him from returning to it again and again. Such children are often curiously insensible to pain, and therefore quite indifferent to the pain they inflict on others. Restless and troublesome in class, dangerous in the playground, quite unashamed, untouched by kindness or punishment, these lads will inevitably grow into the Hooligan type. L. is twenty years old now, and earns some sort of living; he is the terror of all who have to do with him—the son of a father who was “queer.” He is an ill-conditioned, badly-built lad, with a malformed head. Many people have tried to keep a hold on him, and probably that is why he has not yet been convicted. These lads will, no doubt, all become fathers. G. is another type of child; he is fifteen years old, an orphan. He attended school regularly, but never learned anything. He was taken on at the “shop” where his step-grandfather worked, and could do what he was put to. But there were wheels, and bands going round the wheels, and the boy could not resist the temptation to put pieces of his clothing or other articles under the bands, to see them drawn in, so, of course, he was discharged. The old man then bought him a “knocking-up” round. The boy showed me, with immense pride, how he rattled on the widows with a contrivance made from the frame of an old umbrella. But he knocked up the wrong people. Put to carrying out coal, he dumped it in the wrong yards. Moreover, he had the passion for and sympathy with animals so often found in weak-minded persons, and was constantly letting loose dogs, and pigeons, and poultry. He is now in an idiot asylum, though he is by no means an idiot, and will be turned out at the end of seven years to take his share in producing the next generation.

As regards feeble-minded girls, the evil result of their condition is more obvious, though not more real. For this reason more attempts have been made to help them than their afflicted brothers, though many of these attempts have hitherto been failures, owing to the prevailing idea that their disease was a curable one. More and more, however, those people who have had experience are becoming convinced that there is no real remedy but in permanent detention. Whereas there is, outside idiot asylums, only accommodation for forty-two feeble-minded boys other than paupers in Great Britain, there are between twenty and thirty homes for girls. As I said before, at every crisis of life a woman is more likely to come under observation than a man. In school, the history is very much the same as that of the boys. A. C. is a pretty, well-grown girl, fairly advanced in her standards. She is normal in appearance, excepting for a restless expression in her eyes. Her father is a criminal and has deserted his wife, a woman of a very low type. The girl steals in school, very ingeniously, and is quite proud of her misdoings. Her mother flogs her for the thefts; she then sleeps out to avoid the beating, and is found at night in the street by the attendance officer. The girl will very likely become such a one as N., a girl whom I knew, and who was living the worst possible kind of life. I could make no impression at all upon her. Her answer to my remonstrances and offers of help was a silly laugh, and "The police can't get me for anything I do." She had no conscience beyond half a crown and costs. I went to see her mother, but she was a deaf mute. Or possibly A. C. might become such a girl as poor little M., who was sentenced to fifteen years' penal servitude for drowning the two children of her master. M. was fifteen years old, and would be released when she was thirty. In all likelihood these three girls will become mothers.

Fortunately, with the girls as with the boys, the morally defective are not a common type of the feeble-minded. Consider the bearing of such a paragraph as this, cut from a Manchester paper:—

"It was stated to the magistrates at the City Police Courts this

morning that T. T., a girl of nearly sixteen years of age, had been missing from her home since Friday morning, when she left home to go to her work, but did not turn up. *As she is of rather weak intellect, it is feared she has been decoyed.*"

It is not very long since I saw a child, aged fourteen years, in the workhouse infirmary with her infant in her arms, and there are few women guardians who could not give similar instances. The life of such girls as these is pitiable in the extreme. Year by year they return to the workhouse to bear children, many of whom, fortunately, die, but some of whom live to repeat their mothers' experience. Year by year they become more degraded, wretched, and restless. Nor do the girls who come under notice in this way represent nearly all of their class. Very many of them are confined at home, and it is a marvel that more of them do not die, merely from the hardship of their conditions. Moreover, there is scarcely any institution or society that has to do with the welfare of women of the lower classes but bears witness to the prevalence of this terrible evil. For instance, at the meeting of the Obstetrical Society of London, held on January 7, 1903, the following significant remarks were made—

"Dr. Jones said that the insanity of pregnancy was more common among single women, the disappointment, shame, and disgrace of illegitimacy being an important factor in the mental breakdown.

"Dr. C. A. Mercier did not think that single women who became mothers suffered much emotional stress as a rule. Many of them were already half-witted, and the insanity of the puerperium was only an exaggeration of their usual state. The rest were, for the most part, upon a low moral plane.

"Dr. R. Percy Smith called attention to Dr. F. S. Clouston's statement that 75 per cent. of the puerperal cases admitted to Morningside Asylum followed illegitimate births.

"Dr. W. Lloyd Andriezen concluded, from a careful study of statistics, that illegitimate pregnancy was twice as frequently followed by mental disorder as legitimate pregnancy."<sup>1</sup>

I am assured by those who have to do with night shelters

<sup>1</sup> *The Lancet*, Jan. 24, 1903, pp. 230 f.

for women that very many who come into them are weak in intellect.

Many of the cases of cruelty to children and child murder could be traced to this cause. At the Central Criminal Court, in November, 1902, a man and his wife were charged with causing by neglect the death of their child. The man gave evidence that his wife had been "put away" several times because her head was weak.

Again, not very long ago, a woman was charged in Cheshire with the murder of her illegitimate child, and the evidence made it quite plain that she was "simple," and almost certain that she was epileptic.

It is argued that there are not enough of these poor weaklings to constitute a serious danger to society, and I notice that everybody who has not made himself acquainted with the subject supposes that the one or two cases of which he is aware are notable exceptions. It is very rarely that I come across any one who is not aware of at least one case. But without maintaining that there is one defective to every sane adult of our population, it is quite evident from figures to hand that the number of the feeble-minded is appallingly large and rapidly increasing. And here I must lay stress upon the fact that the number of legally classified idiots, imbeciles, and feeble-minded is not yet any guide to the number actually existing, and until all these persons *are* classified it is impossible to say how many there are of them. I have myself a list of about 1100 cases of weak-minded and epileptic persons. Amongst these some few are idiots, six are sane epileptics. Nearly 200 have been referred to me from various parts of the kingdom; the remainder belong to Lancashire and Cheshire. Five hundred were in attendance at board schools in Manchester six years ago, when I made an inspection of all the Board's scholars, 39,600, for the purpose of proving the necessity for special schools in the town. All these cases were reported on by Dr. Ashby, of the Children's Hospital. The majority of these 500 are now legally adults, and probably go a long way towards accounting for the unemployed and unemployable men who have caused such searchings of heart to

our local philanthropists by sleeping out on the brick-crofts this winter. We now have special schools at work, and it is evident from the cases that are brought for admission that very many, even of idiots and imbeciles, escape official notice altogether, and that it is not until one is working amongst the poor in such a way that they will come for help in their trouble, that one can realize what a mass of incompetents is in our midst. So far as I can judge, our statistics will most likely show, in the course of another two years or so, that we have in Manchester about 1000 children of weak mind under the age of sixteen. In London, on Lady Day, 1902, there were 2901 children in the schools for the mentally defective, and no one pretends that nearly all the suitable cases are in school.

Let us bear in mind that the child of the merely feeble in mind may be an idiot, and then consider the following statement:—

“The figures of lunacy show that the increase of pauper lunacy forms one of London’s most pressing and difficult problems. During the years 1888–1900 accommodation was provided by the Council for about seven thousand fresh cases, but even this barely kept the supply equal to the demand. The following figures, taken from a very interesting diagram in the Report, form a sufficient indication of the urgency of this question. The first line consists of actual numbers; the other three are proportional numbers reduced to the same base.

	1889.	1900.
“Total number of pauper lunatics .. ..	16,000 ..	21,369
Increase of population .. ..	16,000 ..	17,601
Increase of ordinary pauperism .. ..	16,000 ..	17,082
Estimated increase of pauper lunacy based on census returns .. ..	16,000 ..	18,972

“It will be seen at once that pauper lunacy has increased out of all proportion to the increase either in population or in ordinary pauperism, and that the estimated increase fell short of the actual by about 2400 cases.”<sup>1</sup>

What, then, it will be asked, do you propose that we should do? Is the problem not too difficult? Are the numbers of the

<sup>1</sup> *Report of South-Western District Poor Law Conference*, No. 8 of 1902–1903, p. 406.

weak-minded not already beyond our management? Mr. W. H. Dickinson, in a recent paper, says:—

“These calculations, if applied to the total population of England and Wales, would give numbers varying between 180,000 and 330,000. I think, however, that such figures would be considerably above the real facts, but I believe I shall not be exaggerating if I say that we have in England and Wales, in addition to the 110,000 certified lunatics, another 100,000 who certainly are not mad, but, as certainly, are not sane.”<sup>1</sup>

Personally, I believe that Mr. Dickinson's first estimate will prove to be no exaggeration. There is no doubt that, at present, great numbers of the feeble-minded are entirely overlooked. The more, to the casual observer, they resemble perfectly sane people, the more likely they are not to be noticed, and the greater is the risk society incurs from their existence. But, assuming the lowest of the numbers given by Mr. Dickinson to be the correct one, it will be—it is, I know—asserted that such an appalling mass of incompetency is beyond our grappling with, that the cost and labour of dealing with another hundred thousand people who are not capable of taking care of themselves are too great to be undertaken, and that all we can do is to let them alone. Very many people have, with much reason, taken up the attitude that we had better let them alone than gather them together and give them special education up to the age of sixteen, and then turn them out to take upon themselves the ordinary duties and responsibilities of citizens.

There are, however, considerations which should save us from such a policy of despair. To begin with, we must remember that in asking that the weak-minded should be segregated and taken care of, we are not asking that any new burden should be imposed upon the people. We have to take care of these feeble members of society as it is; only, instead of recognizing them for what they are, we call them paupers and criminals, and provide for them in workhouses and gaols. Recently a case was reported of a woman who was convicted for the fortieth time; it was

<sup>1</sup> *The Treatment of the Feeble-minded.* By W. H. Dickinson, D.L., L.C.C. Paper read before the Central Poor Law Conference, March, 1903.

added that she was known to be of feeble mind. Can there be greater and more extravagant stupidity than to put the machinery of the law in motion forty times, for the sake of a poor creature who might have been detained in a happy home before she had begun to do any harm to herself or other people? There can be no more costly way of dealing with the mentally incapable than through the police courts. It has been estimated that a convict costs £40 a year, a prisoner £24, and a pauper £21. And when this money has been expended, no particular good has been achieved. We have rolled our stone up the hill, only to relax our exertions and let it roll down again, for some one else to repeat the useless labour. For three months, or six months, or a year we impose upon these poor souls the will-power in which they are lacking, and then, when they have for a while exercised the good habits we desire for them, we withdraw our help and down they go again. So, again, we take them into the work-house, we feed them and clean them and tend them at enormous cost, and then let them go, to become again hungry and dirty and neglected. *In one way or another the great majority of the feeble-minded come upon the rates.* Keep them we must and do: the question is—Can we not do it in some more humane and rational way? I think there is no reasonable doubt that we can. In fact, all those who are properly described as feeble-minded can work, and, what is more, enjoy working. The late Sir Douglas Galton said, that the feeble-minded man could never be worth more than three-fourths of a man; that three-fourths he might, in favourable circumstances, generally become. In the milder cases, the sum which would be lacking towards their complete self-support would be represented by the wages and keep of their supervisor, who would supply the will-power which they lack.

Granted that we intend to make suitable provision for these weaklings, their lack of will-power becomes an important factor in our favour. Whilst the feeble-minded child is a child, you can run him into any groove. He will do anything bad that is suggested to him, or he will do anything good. Of course some of them have fits of obstinacy, but as a rule they are exceedingly

easy to guide. "My children are all quite good," said the matron of a residential school for the defective, the other day; but, if they had been left on the streets, they would all have been quite bad. We must, therefore, get it into our heads that the greatest good of the community and of the sufferers can only be achieved by treating the mentally defective properly from a very early age, and by treating them permanently. Nothing can be more absurd than to train them on the same lines as healthy children. Very early in life a skilled physician can, in almost every case, detect the unsound brain. And, finally, let us clearly understand that, if there be no mistake about the diagnosis, the unsound brain can never be turned into a sound one.<sup>1</sup>

In educating these children, we must always bear in mind that, later on, we shall want them to do what they can towards their own support. Not educated, or educated improperly, instead of being worth three-fourths of a man, each one will cost us the keep of three men, and have a painful and wretched existence into the bargain. All the training given to them should be practical. If we struggle from six to sixteen to teach weak-minded children out of books, we waste our time and opportunity. All the book-learning we can give to such a child will be of no use to it. In rare cases—and it is easy to find out which they are—we may teach enough reading to add a pleasure to their lives, and nothing which can do that should be neglected.

<sup>1</sup> The first step to be taken towards dealing wisely with this question is to make the Elementary Education (Defective and Epileptic Children) Act of 1899 compulsory instead of permissive. Every school authority should be obliged to provide suitable and sufficient accommodation for defective and epileptic children. Then, permanent residential schools or colonies should be a part of the scheme. These should be graded for all ages, and should be in the country, and some of those for children of school age should be certified by the Home Office, as well as by the Board of Education, so as to permit of the committal of a child of defective intellect who is under improper guardianship. The principal difficulty at present in making use of permanent schools lies with the relatives, but that can be got over by giving the authorities power to detain those children who are proved by their day-school experience to be of weak intellect. At the age of fourteen, or sooner, every child of this type should be transferred to a permanent residential school, there to remain to the end of its days, a child still, but a harmless happy child, instead of a dangerous and degraded one.

But, for the most part, book-learning will be painfully acquired and quickly forgotten. On the other hand, manual training will be most helpful, and it should always be of a practical kind. It is waste of time to teach a lad to wind wool round cardboard, or to prick holes in paper. Hand and eye can be trained on tasks which are useful in themselves, and which, when completed, give the child the pleasure of feeling that he has achieved something. Let him learn to black his boots, to dress himself, to put his own buttons on, to knit and mend his own stockings, and, when he is in a residential school, to prepare his own meals and make his own bed. Let boys and girls alike enjoy the pleasures of gardening, poultry, and pig-keeping; they should know that the vegetables and fruit they eat are of their own growing. We should be careful about classification; it is not good for the best to be mixed with the worst cases. But we must remember that there are very few, even amongst the most hopeless cases of all—the epileptic feeble-minded,—who are not capable of some training,<sup>1</sup> and there are none who have not a right to be allowed to do as much work as they can. Only think how the normal child rejoices in being allowed to share the tasks of its grown-up friends; that, at any rate, is a joy which, though it will cost much patience and perseverance at first, we have no right to withhold from our little weaklings. I have in my mind, at this moment, fifteen little lads who, nine months ago, could not wash or dress themselves; three are epileptic, two are very badly weak-minded. Now all can dress themselves; they behave like little gentlemen at table; they black their boots, and are very proud to black mine; in the garden, some begin to be of use to the gardener; some can attend to the poultry; some can peel potatoes and clean taps. I cannot say that their intellects have yet improved much, but their manners and habits and health have and will go on improving, so long as they are under a wise and kind control. I hope that these children, as well as girls placed under similar training, will by-and-by become very useful members of society—that is, of the little society in which they

<sup>1</sup> If any one doubts this, let him visit one of the large idiot asylums, and see for himself the marvellous results obtained by patience, skill, and kindness.

will be required to live. Great care is taken that every effort they make shall be directed, if not to learning a game, towards some useful purpose. In this way they will not only contribute by their labour towards the expenses of the institution, but they learn to believe that it, and its garden, and its live stock, belong to them, and they will improve physically, mentally, and morally, for the healing power of work is great. Nor is there any unkindness to the children in thus utilizing their little powers as far as they will go; by judiciously varying their occupations, and taking care that they are never allowed to attempt tasks beyond their strength, all manual work may be made as delightful as play. It is a great joy to a child to be given a spade and allowed to dig a hole; it is even a greater joy to be shown how to dig a series of holes and put plants in them, and then to be taught to water and weed his plants, and to gather his crop in due season.

No doubt to the average ratepayer the most important question will seem to be—In what direction is the wage-earning capacity of these poor folk the greatest? I think there can be no doubt that they can be employed to the best advantage for themselves and others on the land. The schools or colonies should be placed in those parts of the country (in Essex, for example) where the land is going out of cultivation and the population decreasing. They should be very rigidly inspected. What should be aimed at is a simple, wholesome life, in which the workers may actually produce the food on which they live. Nor should the men be kept entirely to the outdoor work, and the women to the cooking, cleaning, and washing. Mother Earth has as kindly an embrace for her daughters as for her sons, and both would gain by enjoying a variety of occupations. Profits, of course, could not be looked for from such an industrial colony; but, were it properly managed, its inhabitants might be nearly if not quite self-supporting, and they would be happy and harmless.

I am aware of certain objections, physical difficulties, which occur at once to the mind when we talk of segregation, but it is evident, from the experience of those who have to do with the legally detained, that these can be surmounted.

Finally, let me point out that it is futile to talk of feeble-minded criminals as sinners : sin there must be, where so much crime and misery are, but the sin lies where the responsibility lies, and that is, with every sane person who knows of these things and does nothing to alter them.

The burden of responsibility lies with us. Let us take it up and carry it, while it is yet not too heavy for us.

MARY DENDY.

## AUSTRALIA'S OPPORTUNITY.

TO the historian and the philosopher of the future the federation of Australia will probably seem one of the most wonderful purely human events which the world has ever witnessed. For the first time in the history of the human race (and so far as we can see equally certainly for the last) the people of one entire continent, speaking one language, obeying one common law, and deriving their descent from one common origin, have elected to become partners in one indissoluble Commonwealth, whose dominion stretches from north to south and from east to west over the whole of Australia, and extends to the adjacent island of Tasmania. The deep and vital significance of this fact can perhaps best be realized by imagining for a moment that all the other portions of the human world were submerged under the sea. In such a case the federated states would not only be self-supporting, but could probably provide themselves with every necessary, every comfort, and every luxury (excepting perhaps, diamonds !) which the civilized world has ever known or utilized. To such an extent is every climate and every soil included within the range of the new Federation, that for material purposes (though, of course, for material purposes only) such a cataclysm as I have imagined would not after a short time appreciably affect the inhabitants of the Australian Commonwealth. They could still from their own soil and their own various territories provide themselves with practically all the requirements of life to which they had hitherto been accustomed.

But wonderful as the fact of Australian Federation is, the opportunity afforded to the peoples of the federated states in the building of their Federal Capital is still more wonderful. Only once before has there been even the semblance of a similar

opportunity. When the United States authorities, weary of the conflicting claims of Philadelphia, New York, and other centres, determined to choose a new site for their capital, and thus to placate the jealousy of the rival claimants by satisfying none, they had no doubt a similar opportunity so far as starting with a free hand and a virgin site was concerned. But Washington was founded before the era of scientific invention. Even so, the happy chance by which, to avoid inter-state jealousies, it was decided, in 1791, that sixty-four miles should be ceded by Maryland and Virginia, and called the district of Columbia, has been abundantly rewarded by the magnificent result. Washington—

“ was planned and laid out by a Frenchman, Major L'Enfant, and it is chiefly due to his taste and to the breadth and largeness of his ideas that to-day, more than one hundred years after its foundation, it takes rank amongst the most beautiful cities of the world. It has been aptly called the City of Magnificent Distances ; it is still growing on his plans, and when the empty spaces are filled up, it will be indeed magnificent.”

This is how the Hon. Maud Pauncefote describes Washington of to-day in the *Nineteenth Century* for February, and no one can surely be more qualified to speak than the bearer of such a name.

But if to start with a free hand a hundred years ago was a great advantage, so that to-day Washington “ takes rank amongst the most beautiful cities of the world,” the advantage now conferred by starting on virgin soil is so infinitely greater, that the difference may be considered rather one of kind than of mere degree. To put it in one brief sentence, to Australia is now given, for the first time in the world's history, the power of showing what can be done in the way of *scientific* city-building. Let me briefly summarize the possibilities of the position, both from a moral and a material standpoint, before I consider the situation in some of its more striking details.

In all ages and in all places men's hearts have instinctively turned to their capital city as the outward and visible sign of their patriotism. This is equally true of ancient as of modern times. Jerusalem and Rome, Paris and London, have each been

respectively the centres of national life and national aspirations. Some of the most magnificent poetry in the Hebrew language is centred, so to speak, in Jerusalem. To the capital city, even in bondage, the heart of the exiled Hebrew fondly turned. "If I forget thee, O Jerusalem, let my right hand forget her cunning." And in many cases there was some particular part of the capital city to which the affection of the inhabitants was especially directed. If Athens was to Attica the one city in the world, so of Athens itself the Acropolis was the very jewel and crowning glory. It was the watchword of the Athenian wherever he went, and to render its splendid summit even more splendid was the task to which her most eminent sculptors gladly dedicated their supreme efforts. Amongst our own people, Westminster Abbey, "the Valhalla of the Anglo-Saxon race," has always been regarded as the very shrine and focus of our national existence, and it is surely one of the ironies of history that the great sea-captain, who on more than one occasion before a great naval engagement exclaimed, "Westminster Abbey or Victory!" should have been laid to rest in St. Paul's Cathedral. This patriotic aspiration then, which makes the heart of every thinking citizen naturally yearn towards the capital city, is a fact of deep national import. It is a feeling which ought to be strengthened and encouraged in every way. It exists even where there is little in the outward circumstances to call it into being. How much stronger might it be made in the case of a city not built up by chance, but placed on a spot carefully selected beforehand, and adorned and beautified by all the art and experience of the ages.

This is Australia's great and unique opportunity at the present time; and it is an opportunity which if neglected can never occur again. All the resources, all the inventions of civilization, accumulated through the centuries by social and sanitary science, are at her service. All the most modern discoveries of the architect, the builder, the electrician and the engineer—gas and electricity; the tram-way and the motor-car; the telegraph and the telephone—are alike at her service, and can be utilized in conjunction on preconceived and carefully matured lines in a way which has never been possible before.

On all the many and varied possibilities of such a situation it is impossible in an article of this kind even to touch. Some of them will immediately occur to my readers as a necessary sequence to the position; others will gradually suggest themselves to those who think it worth while to devote any serious thought to the potentialities of capital-building on a new site; but there are a few points of which I desire, however briefly, to indicate the salient features. The first and most important consideration is the site. In order to make provision for any future requirements, a suitable and spacious area of virgin soil must be selected. If our capital is to be built with that freedom and breadth of conception which alone can befit the representative and official abode of a great nation, its builders must have an absolutely free hand, and this can only be safeguarded if there are no squalid traditions and no vested interests to contend against. This, indeed, is one chief reason why the choice of Bombala, or rather a site in the neighbourhood of Bombala, seems eminently suitable, because it appears that in that locality a very large area of virgin soil can be obtained. With a site such as I have suggested, the possibilities of the final result are only limited by the capacity of those to whom the task is entrusted. At the very outset, the antiquated idea that a city is a mere congeries of houses and buildings should be finally put aside. It is an idea which has owed its existence to the fact that cities in the past have for the most part gradually grown up from hamlets and villages into important centres by the mere fortuitous accretion of population. If we are now to create a city which is in any way to be worthy of the potentialities of civilization, such a conception of the case must no longer be tolerated. In the very centre of our new city we would place a splendid and spacious park, which should serve alike as the heart and lungs of the capital. Around this should run a wide and imposing "boulevard," from which all the main thoroughfares of the city should radiate. If a circular tramline were to run round this boulevard, and were connected with lines running along the main thoroughfares, every part of the capital would be rendered easily and conveniently accessible. Especially would

this be the case if a similar circular line were to be placed around the outskirts of the city, and if provision were made for the addition of new circular lines in accordance with the growth of the suburbs. By this means each successive development could be regulated according to a preconceived and symmetrical plan, for the space in each successive circle would be filled, before any new building outside that circle were permitted.

But we should not rest satisfied with having provided an ample and imposing breathing-space in the centre of the city. There is no inherent reason why Nature should be so completely divorced from the habitations of men, as has been the custom in the past. It is perfectly possible to have the busiest thoroughfares and the most important centres of commercial activity side by side with all the restfulness and repose of a sylvan retreat. The well-known promenade at Cheltenham is a notable example of what can be done in this direction. With its splendid shops and imposing buildings, it is, on the one hand, the busiest quarter of that beautiful and fashionable watering-place, while, on the other, its double avenue of noble elm-trees offers as perfect an example of "Nature in the city" as can be found in any part of the temperate hemispheres. What has been accomplished at Cheltenham with so much success on a small scale, should be done through the length and breadth of the Federal Capital on a large and generous basis. Perhaps the best existing example of the way in which a "Garden City" can be made to contribute to the beauty and amenity of life is afforded by Washington, as the following brief extract from the article already quoted will serve to show :—

"The spring in Washington is a time of joy ! The whole town becomes a garden with its numerous beflowered circles, and many of the private houses, which all stand back from the pavement in a grass plot, also have borders of tulips, crocuses, hyacinths and rose-bushes. Standing in any of the circles, the straight, shady streets radiate as from a star. With the first fine tracery of green lacework, it grows greener and greener till the town is a leafy bower."

Such is the effect which Washington produces on a cultured and artistic eye. But Washington has become a Garden City

more by good luck than good management. There was, so far as I am aware, no deliberate and preconceived idea on the part of its founders to make such a creation. If from the foresight which laid out Washington in large and generous spaces a Garden City has nevertheless sprung into being, how much more might be accomplished if such a creation were deliberately planned and fostered by the founders of Australia's Federal Capital.

Again, the inhabitants of older countries and more complex civilizations have to take their cities as they find them. They have, from the very necessities of the case, to put up with narrow thoroughfares and devious streets, whose irregularity and want of plan often cause immense congestion of traffic, simply because the expense of laying out a city *de novo* would be so excessive that it could not be adequately recouped by the increased facilities and conveniences of a properly organized system. The annual loss to London, which is occasioned by a constricted thoroughfare like the Strand, must be something enormous; and this is only an extreme example of what always happens when the growth of a city is fettered and hampered by the existence of long-established means of transit, which were laid out at a time when the possibilities of more extended traffic were undreamt of. This defect is, of course, less patent in Australia than Europe, but the city of Sydney, which, before the passing of the Constitution was a rival with Melbourne for the coveted position of Federal Capital, is certainly a case in point. The want of pre-arranged method is conspicuous enough in Sydney to make it, on this ground alone, extremely fortunate that she was not selected.

As Washington was planned and laid out beforehand by Major l'Enfant, so, but with even greater care in proportion to our greater scientific knowledge and our more numerous (and in some cases conflicting<sup>1</sup>) requirements, must our Federal Capital be planned beforehand on the best available methods and by the best available talent. In this connexion must be mentioned the desirability of securing beforehand not only a well-matured plan

<sup>1</sup> In the way of drainage pipes, wires, tubes, rail and tram lines, etc.

of the city, capable of meeting its various periods of growth, as I have already suggested, but also some uniform and harmonious style of architecture in all buildings, whether private or public, so that our city shall be complete, not only in its individual parts, but also as a whole and in the artistic relation of one part to the other. In an ordinary city there is nothing more offensive to the eye than the way in which even single streets grow up without any plan or coherency in a mass of heterogeneous buildings. The magnificent effect which might be produced in a city whose general architectural design had all been arranged beforehand in accordance with a definite and regular plan, can hardly be realized by eyes which are accustomed to the disorderly jumble of the average town; but there is a plan extant of the original idea of Cambridge University (before Trinity Street was allowed to block what was intended to be a noble and imposing vista of buildings) which gives some idea of what might be effected in this direction.

Closely allied with this suggestion is the possibility of a great social and municipal experiment. If such a site as I have designated be selected, the Commonwealth will acquire the land on which our city is to be built at practically "prairie value." Having once got the soil, why should we part with the fee simple? The unearned increment obtained from building land in cities is enormous. This value is created by the citizens as a whole, and, theoretically, it is only just and equitable that what they have produced they should also enjoy. Should the Federal Government be wise enough to retain the ownership of all the soil of their capital, the income obtained from this source alone should be enough to drain and to light the city, and probably also to give a cheap and abundant water supply with the minimum of accruing taxes. Theoretically it might even seem wisest for the Commonwealth to become its own builder; but there are obvious practical objections to such a course when a Ministry is in any way liable to be dominated by a Labour Party; but the difficulty might easily be solved by the ninety-nine years' lease system. By this method the initial cost could be saved to the Federal Government, and if all the buildings

under such a system had to be erected in accordance with a specified plan, the Commonwealth could, as the leases fell in, become possessed of a beautiful, harmonious, and valuable property, without any necessity for reckless borrowing. Incidentally, however, it must be remarked that whatever may be thought of the prudence of some of the public works' schemes of Australia, for which money has been obtained from the English lender, the safety of a scheme by which land obtained at "prairie value" is converted into an important capital city could hardly be called in question.

On one other social experiment I may briefly touch. It is already widely recognized in Australia that in the Federal Capital and Territory the problem of liquor-traffic reform must be seriously faced from the very outset. Petitions to that effect have already been prepared for presentation by the South Australian State Retail Liquor League, and by the Hobart (now Tasmanian) Public-house Trust Association. The former is somewhat lengthy to quote, but the latter runs as follows:—

"That, in the opinion of this association, elimination of private profit is an essential feature in any practical reform of the liquor traffic. And your petitioners respectfully urge that this principle, which is the acknowledged basis of scientific reform, should be exclusively adopted in the Federal Capital and Territory; and your petitioners pray that your Honourable House will, at the earliest opportunity, legislate to that effect."

The root-idea which underlies these and similar proposals is, of course, originally borrowed from the Gothenburg system, and consists in the "elimination of private profit." Whatever particular application of that principle may be ultimately adopted in the Federal territory, it is clear that the opportunity afforded for trying the experiment under the most advantageous circumstances will be quite exceptional. By article 125 of the Australian Constitution, "such territory shall contain an area of not less than one hundred square miles;" and the area actually selected will, in all probability, be considerably larger. If a virgin site be selected for the capital and surrounding Federal territory, there will be no vested interests to contend with, and

*no vexed question of compensation to solve.* These are the real and the only obstacles to temperance reform in existing communities.<sup>1</sup> But no such impediments could exist in the official centre of the nascent Commonwealth. In our Federal Capital the authorities would start with a free hand, and with all the advantage of the experience derived, not only from Scandinavian licensing reform, but also from the more recent experiments of the Public-house Trusts, which are now making such steady progress in England. That in our new community the moral effect of such a new departure would be great and beneficial cannot be doubted. But the material results would probably be equally satisfactory and equally beneficial. The profits derived from the drink traffic are now confined to a few private individuals. Under the new system they can be applied to making the beautiful and ideal city, which we have now the opportunity of creating, even more beautiful and attractive. The possibilities which lie in the direction of providing suitable means of recreation out of the profits of the drink traffic are thoroughly discussed in Messrs. Rowntree and Sherwell's work, but their suggestions, though noteworthy, are too long to quote. But an excellent and brief illustration of what can be effected by this means from the profits of *one* licensed house, is afforded by the Hill of Beath Tavern in Fifeshire, which is under the management of a local trust society :—

“There are now ample inducements for rational recreation outside the house, *all provided from the profits of the public-house.*<sup>2</sup> There is an excellent and well-kept bowling-green ; and a building, comprising reading-room, library, and billiard-room, is now open. It is a handsome building, and is very much appreciated. Then there is the electric lighting of the village—a great boon ; and a singing-class and a football club are subsidized.”

If all this can be done in a mining village of 1300 inhabitants, what far larger results might we not expect from the establishment of a similar system in our Federal capital ?

Having thus briefly drawn attention to some of the possibilities

<sup>1</sup> Cf. Rowntree and Sherwell's *The Temperance Problem and Social Reform*, p. 158.

<sup>2</sup> The italics are my own.

which the creation of a Federal Capital on a virgin site seems to offer, I must refer to what I cannot but consider the dangerous and mistaken attempt which is being made by Senator Dobson to induce the federal states to go back from their deliberate and matured decision, and to make Sydney the Federal Capital. That such an attempt can possibly succeed, I do not for a moment believe, but the mere fact that it is being made shows how little the magnitude of our opportunity is realized in some quarters; while the suggested proposal to tamper with the Constitution (which has made us into one indissoluble Federal Commonwealth) so soon after its foundation, is in itself a sign of sufficiently ominous political importance.

The futility of the attempt, indeed, is best shown by clause 125 of the Constitution, which runs as follows:—

“The seat of Government of the Commonwealth shall be determined by the Parliament, and shall be within territory which shall have been granted to or acquired by the Commonwealth, and shall be vested in and belong to the Commonwealth, *and shall be in the state of New South Wales, and be distant not less than one hundred miles from Sydney.* Such territory shall contain an area of not less than one hundred square miles, *and such portion thereof as shall consist of Crown lands shall be granted to the Commonwealth without any payment therefor.*<sup>1</sup> The Parliament shall sit at Melbourne until it meet at the seat of Government.”

Such is the clause as it was eventually framed, being admittedly a deliberate and satisfactory compromise between the rival claims of Sydney and Melbourne, and the states of New South Wales and Victoria. It will be observed that, as a result, the capital, though it must be in New South Wales, must be at a distance of not less than one hundred miles from Sydney. The solution arrived at after long and earnest consideration must be considered eminently satisfactory, not only in view of the opportunity afforded to the Commonwealth, but also because by this means a dangerous and long-standing rivalry between two powerful states has been happily terminated. None the less grave, however, is the existence in any class of the community

<sup>1</sup> The italics are my own.

of a party which is ready to play fast and loose with the most vital parts of an essential and deliberate compact. Fortunately, however, the possibility of such attempts was foreseen and safeguarded by the framers of the Australian Constitution. By article 128, no alteration can be made in the Constitution, unless the proposed law be first passed by an absolute majority of each house of the Federal Parliament; and, secondly, submitted in a period of not less than two nor more than six months in each state to the electors for the House of Representatives. And it can only finally become law "if in a majority of the states a majority of the electors voting approve the proposed law, and if a majority of all the electors voting also approve the proposed law." Lastly, there must also be the approval of the majority of the electors voting in the actual state affected. That within two years of the inauguration of the Commonwealth such a proposal should have been brought forward abundantly justifies the prudence of the framers of the Federal compact, who realized the solemnity of the union which they were contracting, and the necessity of preventing its being lightly tampered with. For, as Messrs. Quick and Garran aptly remark, in their monumental *Annotated Constitution of the Australian Commonwealth*:—

"A constitution is a charter of government; it is a deed of trust, containing covenants between the sovereign community and its individual units. These covenants should not be lightly or inconsiderately altered." And again, "Where a community is founded on a political compact, it is only fair and reasonable that that compact should be protected, not only against the designs of those who wish to disturb it by introducing revolutionary projects, but also against the risk of thoughtless tinkering and theoretical experiments."

Such being the constitutional position, it would scarcely seem worth while to refer at any greater length to a proposal of so unconstitutional and fantastic a character, were it not that one argument has been put forward in its defence which seems to need brief consideration. Thus, in a signed article in the *Examiner*, a newspaper published in Launceston, Tasmania, Senator Dobson, to whom the idea of substituting Sydney for the constitutional capital is principally if not solely due, writes—

"I believe there are thousands of persons who shrink, as I do, from advocating the enormous expenditure which must result from building a capital in the 'backblocks.'"

On what principle of economics Mr. Dobson can consider that it will be cheaper to house, say, 20,000 persons in an overpopulated city, where building land has already reached enormous prices, rather than on a virgin site, where land can be obtained at "prairie value," I am at a loss to discover. As a matter of fact, one of the chief and most obvious reasons for building our capital on a new site, is the immediate and inevitable economy which will thereby be effected. The number of persons attracted to the federal seat of Government, whether it be at Bombala, Sydney, or elsewhere, will presumably be the same. At Bombala the estimated value of the land (as given in the carefully prepared and admirably illustrated *Proposed Federal Capital Sites*, issued by authority of the New South Wales Government) is from £1 10s. to £5 or £7 per acre. At a rough estimate the city might be supposed to occupy, at the commencement, four square miles, of which two square miles might be deducted for streets and open spaces. This would give two square miles or 1280 acres, of which the value would immediately become, on the average, probably not less than £1000 an acre, giving a rough total value of £1,280,000. If we estimate the purchase money at so high a figure as £5<sup>1</sup> an acre, the total spent on purchasing the actual four square miles included in the above computation, would only be £12,800, so that, if my figures are approximately correct, there would be an immediate clear gain of a very large sum. Though some of the land might not be worth the estimated *average* value per acre, it must, on the other hand, be remembered that in the main business centres it would probably far exceed it.

If Sydney had been selected as the Federal Capital, a similar increase of population must inevitably have occurred. Additional building land would, in one direction or another, have had to be made available. No doubt the process in such a case would be practically invisible and unnoticed, except in the case of the

<sup>1</sup> There are actually 5000 acres of Crown lands available at Bombala gratis.

purchase of particular sites for definite Federal purposes. But it would none the less exist. A large increase in the value of building land round Sydney would undoubtedly take place. For that unearned increment some one would have to pay. Money for the necessary extra buildings, whether public or private, would have to be obtained. In the case of Sydney, the borrowing would presumably be arranged by private enterprise. But if, as I have suggested, the land were let at Bombala on ninety-nine years' leases, there is no reason why the necessary finances should not be obtained in precisely the same way.

It remains to say a word or two about the sites available. I hold no brief for Bombala in particular, as I have never seen that or any other of the proposed sites except by means of the admirable photographs issued by the Minister for Home Affairs. I have merely mentioned Bombala, because from general report it appears to possess an admirable climate, and to combine many other natural advantages. It is only sixty miles from the port of Eden. It has a minimum altitude of 2250 feet, while at the same time there is a large expanse of level land, the mean altitude being 2400 feet. Its climate is remarkably healthy and cool. The mean temperature for spring is 55·6°; for summer, 66·1°; for autumn, 56·1°; and for winter, 43·6°. The average rainfall for ten years has been 29 inches, while the facilities for water supply and drainage are all that could be desired. An excellent supply of pure water can be obtained from the Delegate River; while the trend of the country is admirably suited for drainage purposes, and the soil is a porous absorbent loam. For building purposes no site could be more suitable. There are "unlimited quantities of good building stone—granite, sandstone, freestone, slate, and limestone, also clay for brick making," whilst timber is abundant and varied.

But many of the other suggested sites appear almost equally suitable. As an example, I may mention Carcoar-Garland and Lake George, both of which are situate at an altitude of over 2000 feet, and appear to possess correspondingly temperate climates. In both localities there are also large areas of virgin land available, which is one of the prime requisites of the situa-

tion. There are other sites, such as Armidale, Goulbourn, and Bathurst, which, on this ground alone, should, I think, be excluded; for they are already centres of a considerable population. Above all things we must start with a free hand, and that is impossible unless we can start with an absolutely virgin site.

The only real difficulty will be in the choice of a name. Yass, Wagga Wagga, or even Bombala, are hardly euphonious enough to be preserved as the names of a great and monumental undertaking. For the United States, under similar circumstances, the choice was easy; but Australia has had no great national struggle, and consequently has produced no conspicuously pre-eminent man. Sir Robert Torrens, indeed, by his simplification of the system of land transfer, may perhaps be regarded as the greatest national benefactor of United Australia, but his name would hardly be more euphonious than some of the original appellations. Hopetown would be a graceful commemoration of the first Governor-General's tenure of office; but, as his term unfortunately came to a premature close, there is not, I fear, much chance of its adoption. "Regina" would, in the writer's opinion, perhaps be as appropriate a name as any. The name is original and harmonious, and it would fitly perpetuate the memory of the great Queen during whose long reign Australia was so largely colonized, and before the close of which Australian Federation became a living reality.

And now let me briefly sum up the main points to which I have endeavoured to draw attention in this paper. It has been my purpose to show that in the building of her Federal Capital the Commonwealth of Australia has, indeed, a magnificent and unique opportunity. All the resources of science are at her call; and she can create such a city as the world has never seen before—a city that shall be the joy and wonder of the whole earth, and an object-lesson to the nations for all time. The possibilities of such a situation are so vast that it has been impossible to draw attention to them all; but I have briefly discussed some of its main features, such as the creation of a "Garden City," the retention of the "fee simple," the striking results to be obtained

by architectural uniformity on a deliberate and preconceived plan, and the benefit to be derived by scientific reform of the liquor traffic in a site uncontaminated by vested interests. Let me add one word in conclusion. That the proper solution of this question is of vital importance to Australia will hardly be denied. But I venture to think it is also of real importance to the Empire. As in the natural body, so in the Imperial body politic, the highest attainable welfare of every part must be of vital interest and concern to the whole. And if this be so, not only Australia, nor even Great Britain alone, but every one of her great colonial dependencies must be immediately interested in the proper development and full realization of Australia's magnificent and unique opportunity.

R. E. MACNAGHTEN.

## STATE EXPERIMENTS IN AUSTRALIA AND NEW ZEALAND.<sup>1</sup>

IN the two volumes which describe *State Experiments in Australia and New Zealand*, Mr. Reeves has put a crown to the obligations under which he had already placed all students of social economics. This is a case in which the author of the book is also the author of some of the results it records, but his object has been not so much to justify these "experiments," as to put the student in a position to form his own judgment. If Mr. Reeves's account is sympathetic, it is also candid; and his two volumes are all the more authentic as a document, inasmuch as, with all his desire to sink the personal equation, he could not help describing these experiments from the inside. This book, therefore, is a first-hand record, not merely of results, but of what is of even greater significance—of the motives and ideas behind these results. The student could not have desired a more intimate as well as a more connected account of experiments in law and administration, which whatever may be said of their importance, are of the highest interest and significance.

But, if it is a great boon to the student to have before him such a full and connected account of these experiments, it is by no means easy, even with the help of Mr. Reeves, to pass anything like a certain or adequate judgment upon experiments which have been so extraordinarily rapid and so remarkably adventurous. They are literally and emphatically "experiments," none of which, perhaps, has been tried long enough to be sufficiently tested. There seems, on the other hand, to be no experiment in law or administration of which the Australasian colonies are not prepared to make trial as occasion serves, and

<sup>1</sup> *State Experiments in Australia and New Zealand*. By W. P. Reeves. [2 vols. viii., 391 and 367 pp. 8vo. 24s. net. Richards. London, 1902.]

at the shortest notice. Certainly these colonies do not look long before they leap. They have few prejudices, and, some might think, no "principles." On the face of them, these experiments are the product of "short" rather than "long" views, of emergency rather than of premeditation. Mr. Reeves does not think worse of these qualities for their defects.

"Interesting as it is to trace the aims and guiding principles of the various Progressive parties in the colonies, it is of far more importance to examine their actions. Hazy and half-articulate as their speakers so often seem when groping after general principles of policy, crude and careless as they appear on the rare occasions when they touch on economics, there is no want of distinct purpose or practical skill in their acts. If their constructive legislators are not artists, they may at least claim to be handy men. Their expositions of social requirements and economic possibilities may often lack finish; but when face to face with a demand for reforms from which well-read but dawdling pedants in other countries shrink, they have the boldness to go forward, and the knack of doing work that will serve the purpose. Colonists are used to find themselves in odd plights. They are men of their hands, used to making shifts, inventing devices, getting out of scrapes, and confronting the unexpected. Something of this handiness and readiness in emergencies is found in their politicians. Their laws and administrative expedients may often seem as rough and ready as Robinson Crusoe's make-shifts—but, somehow, they usually work" (vol. i., p. 74).

The character and circumstances of colonial democracy are no doubt favourable to adventure both in theory and in practice, and it would certainly be rash to assume that what can be done in the new world can be done in the old. But if courage is three-fourths of a statesman's virtue, there is much that statesmanship may learn from these experiments, rough and ready as they certainly are; while there is no record more calculated to rouse the doctrinaire from his dogmatic slumbers. I propose, therefore, to draw attention to those features in Mr. Reeves's survey, which have the most direct bearing on problems in our own country, or which are likely to prove most interesting to readers of the *Economic Review*.

It is instructive to note that Mr. Reeves regards 1890 as the

date of a new departure in colonial politics. The year given marks "the coming of organized labour into politics." In all the five larger colonies Labour parties have played important but different parts.

"The extremes are found in New Zealand and Queensland. In the one, Labour was absorbed in a Progressive party whose leaders were ready to give it, not all it asked, but more than its more sober members hoped to obtain. In Queensland, Labour has almost displaced middle-class Radicalism. In New South Wales, South Australia, and Victoria, it has not been absorbed, nor has it supplanted any *bourgeois* party. It has remained organized and distinct. But in South Australia and Victoria it has maintained more or less friendly relations with the same set of middle-class politicians. In New South Wales it has first supported and then abandoned Government after Government, after treating them to displays of candid friendship which sometimes led to outbreaks of bitter and undignified wrangling" (i. 83).

Contrasting the outcome of the direct representation of Labour for ten years, in five parliaments, Mr. Reeves concludes that—

"the experiment has been fruitful or unfruitful according as Labour has been able to find a *bourgeois* Progressive section to work with, and has been willing to work with it. In New Zealand, where the Liberal-Labour alliance amounted to a fusion, the crop of Progressive measures has been the largest." . . . "But then," Mr. Reeves adds, "the New Zealand Liberals had leaders in 1891 who were capable of thinking out a policy and ready and willing to go further than any responsible Australian politicians could or would then go" (i. 84).

It is not certain, then, that New Zealand tactics in Australia would have produced similar results. It may be added that Labour has also made an effective appearance in the Federal Parliament of the Commonwealth.

The influence, direct or indirect, of Labour parties upon contemporary politics may be paralleled in most European countries; it has been, perhaps, least marked in England, for the simple reason that the method of trade unionism has appeared to be more practicable as well as more effective than that of "legislative enactment." But it is obvious that the recent legal decisions affecting the position of trade unions have changed the situation, and the direct representation of Labour in Parliament is likely

to acquire not only fresh strength but a new significance. Much will depend upon the solidarity of the party, much on the relations it will hold to the other parties, much on tactics as well as on men; but that it will mean the setting of Labour towards "a sort of" (more or less conscious) Socialism—what Mr. Reeves calls "governmentalism"—there can, I think, be no manner of doubt. So far Labour has depended for what legislation it has obtained upon the discriminating and somewhat calculated favours of the parties that exist: if a Liberal Government has shown its sympathy in one way, a Conservative Government has "gone better" in another way. Mr. Asquith's work at the Home Office, for example, is more than balanced by Mr. Chamberlain's Act for the Compensation of Accidents. The demand for "efficiency," again, has helped to set "the protection of labour" in a new perspective. But the appearance on the scenes of an organized and distinct party, representing the interests of Labour as such, cannot but affect, not merely the programmes, but the principles of the two historic parties. So far it cannot be said that either party shows any sign of having anything that can be called a principle in the matter; their minds are to let—unfurnished. The study of colonial experience might, at any rate, suggest the importance of an intellectual preparation for some of the fundamental questions that Labour is likely to raise in a not very distant future. Meanwhile, the existence of a party that does know what it wants, will at least have the effect of persuading other parties to know what they think. It may also be observed that the representatives of Labour are likely to have had at least as effective a training in business and affairs as the ordinary member of parliament, whether as trade union officials, or as members of local councils and co-operative committees; and it would be difficult to overestimate the influence that this discipline of experience and responsibility has already had upon the increased efficiency and effectiveness of "Labour politics." A recent book by Mr. Graham Brooks, on *The Social Unrest*, is most instructive in this respect. Mr. Brooks shows how experience—whether political, industrial, or administrative—quickly substitutes a reasonable for an unreasonable, a

practicable for an unpracticable policy—a programme of well-considered reform for a programme of mere revolution. Even if a Labour party does not easily “find a *bourgeois* section to work with,” as in the colonies, it will certainly make its influence felt as much in the State as it has already done in the municipality. In the case, however, of the “Progressive” legislation in the colonies, it is to be noticed that, if the Labour parties in many instances have supplied the stimulus, they have not supplied the thought—a fact which should be borne in mind.

What, then, it may be asked, is the principle underlying “Liberal-Labour” politics in the colonies? It is not Socialism, says Mr. Reeves, but, as the Lord Chancellor might have said, “a sort of” Socialism; or, as M. Métin has neatly summed it up, a “*Socialisme sans doctrines*.” It is, indeed, a “curious” blend of Socialism and Individualism. It is, again, State rather than municipal socialism, for “city life in the colonies is but now in crying need of scientific collective development.” Again, if it is State Socialism of a kind, it is democratic and not bureaucratic; nor does it aim at building up a socialist State. Under the circumstances, Mr. Reeves finds a not unnatural difficulty in expressing “the kind of” profession of faith to which “the Progressive democrat” in Australasia would subscribe, but he makes a very passable attempt. Most of them—

“look upon their colonies as co-operative societies of which they, men and women, are shareholders, while the Governments are elective boards of directors. They believe that by co-operative action through the State they can compete with trusts and other organizations of capital abroad, and dispense with great companies and corporations within their own borders. They see in their half-empty territories undeveloped estates which require capital as well as labour to work them. Either this capital must be obtained and used by the community, or the financiers will exploit land and labour both. . . . Therefore, say the Australians, we will not trust to the competition in which the political economists trusted. We will try something else. The State is showing that it can undertake task after task, much to the benefit of society. We will go on enlarging its functions. Mistakes may be made, but we can restrain the State. Trusts and combines we might not be able to control. . . . If, then, colonial Progressives do not concern themselves with the visionary benefits or theoretical dangers of

some perfectly organized socialist community, it is because they are too busy in seeing what they can make State energy do for them in experiments which have a definite purpose of immediate usefulness" (i. 71, 72).

If these are the general principles which appear to underlie "that ill-defined blend of Radicalism, Socialism, and Trade Unionism, the Progressive programme in Australia and New Zealand," the general aim of the Labour party itself may be described as—

"to secure by combination and law a larger share of comfort and opportunity for that great human mass which lives upon such stinted reward as Capital measures out to Labour day by day and month by month. It is to raise the standard of life among the workers, not only by gaining for them shorter hours and better pay, but by lifting them to a higher plane by education and a civilized environment" (i. 91).

After some account of "Labour programmes," Mr. Reeves proceeds to answer the main question of his book—"What portions of these schemes of reform have the alliances or fusions of Radical and Labour groups been able to secure?"—giving, in the first instance, a convenient catalogue of those experiments, in the last twelve years, which he has selected for description: a sufficiently "goodly" list, it must be admitted. I propose to make a still further selection, and confine myself mainly to that portion of legislation and administration which Mr. Reeves examines in his second volume, and describes in these words:—

"The exclusion<sup>1</sup> laws, in as much as they are chiefly, though not entirely, aimed at shutting out cheap foreign labour, may be treated as a part of the remarkable body of regulative enactments which deal with employment in the Commonwealth and New Zealand, and which help to distinguish the spirit of these democracies from that of countries like Canada and parts of the United States. While to a large extent the Labour laws, as they are called, may be compared in kind to statutes in force elsewhere, they are not matched elsewhere in their number, boldness, and stringency. In New Zealand, which in this department of experiment still outstrips her neighbours, the Labour laws are numerous

<sup>1</sup> *Sc.* of "undesirable" immigrants. One might be inclined to go further than Mr. Reeves, and describe these laws not only as a part, but as, in a sense, the cornerstone of the whole edifice.

and complex enough to wear the aspect of a code, the parts of which are designed to fit into one another" (i. 100).

Political students, however, will find much interesting matter in the chapters on "Women's Franchise," "Federation," and "Preferential Voting," as also (in the second volume) on the "Liquor Laws." An extensive chapter on the "Land Question" has an interest for historians as well as economists; but it would require a separate review. I must content myself with a quotation from Mr. Reeves's earlier summary of the most important points.

"In all the colonies the State remains the chief landlord, and the management and disposal of the vast public estate has led to the creation of a large and intricate branch of law and administration. In the effort to discourage land monopoly and promote closer settlement, most of the colonies, after disastrous experiences of free trade in land, have adopted, more or less partially and timidly, various systems of leasing in perpetuity. The South Australian system (1888), those of New Zealand (1882 and 1892), and that of New South Wales (1895), are most worthy of attention. Attempts have also been made to plant small allotment-holders on public land in groups, called village settlements. In some colonies the experiment has gone the length of giving the village settlements a co-operative and communistic complexion, but co-operative commonwealths have entirely failed. . . . Beginning with 1892, a series of laws have been adopted . . . empowering the State to repurchase private land for subdivision into small farms. . . . Another set of enactments, beginning with 1894, provides for State money-lending on mortgage. . . . Departments of agriculture have been founded. By teaching, experimental farming, inspecting, and sometimes grading meat, butter, cheese, and hemp, importing pedigree stock, providing cold storage, stamping out noxious weeds and diseases, and pushing trade in England and South Africa, these departments have admittedly done effective work. . . . Everywhere the State railways are managed with a view to promote settlement and production" (i. 98, 99).

To this statement we may add that the State in New Zealand has now gone into the coal business on its own account, but the State coal-mines are so new a venture that, according to Mr. H. D. Lloyd<sup>1</sup> (in whom "the New Zealand experimentalists have

<sup>1</sup> In an article in the *Atlantic Monthly*, Nov., 1902, Mr. Lloyd adds, "There is a public opinion which knows how to take to itself all it needs of the public force—a public opinion plus a public policy, plus the public power."

found a whole-hearted champion"), "they have nothing as yet to exhibit more tangible than the prompt determination of the people to use their common powers in this way for the common defence"—against the aggressions of the Australasian coal trust.

From the point of view of State Socialism, one of the most interesting features of governmental activity in the colonies is the appearance of the State as the rival of the private lender of capital.

"These Advances Acts, as they are usually termed, are meant to be permanent. They are not intended to be mere exertions of public generosity, put forth to enable some deserving class to tide over some short, sharp crisis. They are to be a new sphere of State activity, a complete and lasting assumption by the State of the part of money-lender. The community has entered into permanent competition with the private usurer" (i. 333).

It is notorious that these various "spheres of State activity" also mean that the State is a huge borrower. The public debt approaches £270,000,000. Elsewhere Mr. Reeves makes a vigorous and striking reply to critics under this head:—

"Speaking broadly, I assert without hesitation, that the colonies have done wisely in making land transport a State function, and in floating State loans to be spent on telegraphs, telephones, tramways, waterworks, wells, harbours, land purchase, loans to farmers. If they had not done this, their country would now be in the grip of financial and landowning companies; their masters would be forming the inevitable trusts and pools; industry would have to provide dividends on a number of huge, overcapitalized concerns; colonists would have to pay through the nose for every public convenience; and democracy in parliament would be bought or bullied as the policy of financiers might seem to require. Nor can there be a reasonable doubt that most of the public loans, perhaps nine-tenths of them, have been well spent" (i. 47).

Broadly speaking, it would already appear that the practice of the colonies gives little support to certain tenets of the schools, such as that "no discoveries can be made in politics," or that certain "limits" can be assigned to "the action of the State." But it is time to pass on to what Mr. Reeves says are "undoubtedly the two most striking—and, to old-fashioned

economists, heretical—of colonial regulative laws," the laws establishing compulsory arbitration in labour disputes, on the one hand, and wages boards on the other hand. A good deal of attention has been already drawn in this country to the Compulsory Arbitration Act of which Mr. Reeves was the author; but few students, perhaps, have realized the extent to which the colonies have carried out the attempt to regulate the conditions of labour, and supersede individual bargaining between employers and employed.

"There are in the Commonwealth and New Zealand five laws at work, under which wages and the conditions of labour may be regulated by the decision of boards or courts. New South Wales, New Zealand, and Western Australia are making trial of industrial arbitration. The Victorian system of wages boards is in use in Melbourne and Adelaide. The student, therefore, may now watch and compare five experiments. At the time of writing this, the Australian Arbitration Acts are too young to furnish much matter. Much the same may be said of wages boards in South Australia. The New Zealand and Victorian laws, however, have been fully employed, the one for nearly seven, the other for above five years. These two, therefore, already furnish results which are material for study and comparison" (ii. 174).

For a detailed comparison of these experiments the student must be referred to Mr. Reeves's book; but there are some points to which attention may be drawn. Mr. Reeves observes that—

"no one familiar with the working of the Industrial Conciliation and Arbitration Act of New Zealand can help comparing the extended Victorian law (*sc.* of Wages Boards) with that. Both regulate the conditions of labour, though in different degrees. What is most interesting about the comparison is, that different in form as the two laws are, and designed as they seemed to be when first passed to attain different objects, they are, nevertheless, being in certain respects assimilated under the pressure of practical experience. The New Zealand law was the earlier, but the Victorians borrowed nothing from it; nor in amending and expanding their own statute have the New Zealanders taken anything from Australia. In feeling their way along different lines through a difficult thicket, two sets of explorers are unconsciously converging towards the same end—general regulation" (ii. 66).

And he does right to emphasize the fact that, if compulsory arbitration Acts succeed in their immediate purpose,—

“they will, as a matter of course, have far deeper and wider effects on industry than the mere substitution of arbitration for industrial war. Their success will mean State regulation” (ii. 172).

This is still more obviously true of the Victorian system of wages boards, which has been extended to a great many more than the six “sweated” trades to which it was originally applied. The framers of these different laws were greater Socialists than they knew—a fact which different students may regard in different ways.

Mr. Reeves is careful to point out that the experiment of compulsory arbitration in New Zealand has been tried under peculiarly favourable conditions.

“It has been lucky in a friendly legislature, capable presidents of its courts, and general desire on the part of the public to give it a fair trial” (ii. 171),—

to which we may add that it has not as yet had to weather bad times, and that it has been tried under the simplified conditions of a small, and, industrially speaking, a comparatively undeveloped community. In older countries, Mr. Reeves suggests, “it is likely to wait until the public catches at it as a relief, and until trade unionists are sick of industrial warfare.” There are some signs that events are moving in this direction. In these days of militant organization, circumstances may easily arise which will quickly educate public opinion up to some form of compulsory arbitration. The objections of trade unionists have been somewhat weakened by the new situation in which the law has placed organized labour. As regards the employers, attention should be paid to Mr. Reeves’s observation that—

“to an employer the chief advantage of industrial arbitration, with its system of periodic awards, is that, for the time, he can make his calculation on an ascertained basis. He knows where he is. The Act gives him peace. True, it is peace with conditions; but then, all his local trade rivals and competitors must obey the same conditions. The fair-minded employer can no longer be undercut by the sweater; from that

meanest form of competition he is secure; all employers have to be equally fair" (ii. 170).

But the possibility of applying the principle of the colonial laws to older countries cannot be said to be within the immediate or visible range of practical politics. If it were applied in England at all, it would certainly be in a very "adapted" form—a form, moreover, that would be rather in the nature of a supplement to what the more voluntary system of "collective bargaining"—the method of trade unionism—is able to effect. It would, however, be difficult to overestimate the value of such an object-lesson as is presented by the progress of compulsory arbitration in the Australian colonies. An American believer<sup>1</sup> has some justification for the faith that is in him:—

"In the expansion of this institution from one commonwealth to another of the most progressive democracy of our race, and in the universal scrutiny of its results by all civilized peoples, the social observer can hardly doubt that he is witnessing the evolution of a new, but permanent organ of our social life."

It is at any rate significant that Mr. Wise was able to pass through the parliament of New South Wales a still more comprehensive Act,<sup>2</sup> based upon the Report of a royal commissioner appointed to inquire into the working of the Arbitration Act in New Zealand and the Wages Boards System in Victoria. The result is that Mr. Wise is able to say of his Act—

"Framed thus in the light of New Zealand experience, and applied to a community of fuller industrial development and less isolated than New Zealand, the New South Wales Act may fairly be regarded as a crucial experiment, which should enable a decisive answer to be given as to the practicability and benefits of the legal method of settling

<sup>1</sup> Mr. H. D. Lloyd, in the article referred to above.

<sup>2</sup> The Report of the Commissioner, Judge Backhouse, is certainly the "weightiest" piece of testimony available on the subject, and should be in the hands of every student. I regret that I have not been able to obtain a copy of the Report of the Royal Commission on the Factories Act of Victoria. The whole exchange of "experience" between the colonies is an interesting example of the way in which the colonies manage these things better than their critics take for granted. The experimental method of legislation as practised in Australasia is more "scientific" than it appears.

industrial disputes. The measure, moreover, . . . expresses the ideas on which it rests with a rigid and logical completeness which is rare in an Act of parliament. If such a measure fail in New South Wales, it is safe to say that no measure, having the same object, is likely to succeed elsewhere ; while if, on the other hand, it succeed in giving confidence to capital, and higher wages and improved conditions to the wage earners, such a success, in a country with varied industries and in active competition with other Australian states, cannot be ignored by publicists in other lands."<sup>1</sup>

It is worth while to notice some of the points in which Mr. Wise's Act goes beyond its precedent in New Zealand.

In the first place, the compulsory aspect of the system is accentuated. The arbitration court does the whole work of the law ; the preliminary stage of conciliation has been dropped, apparently because in practice the conciliation boards are simply preliminary to the final court of arbitration. Moreover, under the New South Wales Act, the arbitration court may, through its registrar, intervene in a dispute, though neither of the parties may have shown any desire for its intervention—a significant provision.

Both Acts are based upon unionism ; but under Mr. Wise's Act, only a trade union can register as an industrial union. This amounts in effect to a premium on unionism outside the purposes of the Act. In New Zealand, on the other hand, non-unionists may organize and register under the Act, and for the purposes of the Act. The unions being made open to all members—those in New Zealand by the usual practice of the court, but in New South Wales by the law itself—unionists are given preference of employment over non-unionists, "other things being equal." Mr. Reeves gives an interesting explanation of the motives underlying the difference between the Acts in this respect ; but it is clear that his own Act is a deliberate encouragement to unionism, even if it is not made dependent on it to the same degree as under Mr. Wise's Act.

Nothing in the New South Wales Act is to render any industrial union liable to be sued, or to have its property taken

<sup>1</sup> *National Review*, Aug., 1902.

in execution otherwise than in pursuance of the Act, "or in respect of an obligation incurred in the exercise of rights and powers conferred by this Act." This is not so expressly laid down in the New Zealand law, though it is enacted that a registered union becomes a body corporate "solely for the purposes of this Act." It is not quite certain, if we are to attach any significance to the *obiter dictum* of a judge in New South Wales, how far this restriction of the liability of a trade union is as precise or as definite as it appears. The point is important, especially in view of the trade union attitude towards compulsory arbitration in England; which is only another side of their attitude towards legal incorporation at all, a question which recent decisions have brought into unexpected prominence. But the most interesting feature of the New South Wales Act is "the common rule," not the less interesting because it is the literal embodiment of the principle to which the authors of *Industrial Democracy* have given so much prominence.<sup>1</sup>

"This is an effort," as Mr. Reeves observes, "to improve upon the tentative New Zealand method of extending the regulative scope of their court decisions, so that, instead of merely binding specific employers, they are made rules virtually dealing with whole industries" (ii. 159).

In New South Wales the court is empowered to declare that "any custom, regulation, agreement, condition, or dealing whatsoever in relation to any industrial matter shall be a common rule of the industry" (ii. 160). Mr. Reeves is of opinion that—

"on paper the New South Wales method looks to be a short cut to goal which in New Zealand has to be reached more slowly and tediously. In practice we must wait to see to what extent the court in New South Wales has to fix limitations, allow exceptions, and deal with protests of individuals and localities. In any case Mr. Wise's common rule is an experiment to be watched. If successful, it may tempt the New Zealanders to simplify a portion of their law, and lead the Victorians to develop their good but imperfect system of wages boards into something more like the industrial arbitration of the two other countries" (ii. 160).

<sup>1</sup> As is emphasized by Mr. Wise himself in his interesting account of the New South Wales Act already quoted.

So much for the differences. It should be observed that "lockouts" and "strikes" are not, as it is sometimes thought, made "illegal" by these Acts; they are only "prohibited" during the reference of any dispute to arbitration. "But," as Mr. Reeves observes,—

"There is no object in a strike or lockout in New Zealand, because you cannot starve the arbitration court into submission. If an employer were to shut up his factory there, rather than obey the court, he would have to retire from business altogether. If men left off labour, they would have to change their occupation, because they could only resume it under the conditions laid down by the court. Moreover, public opinion would utterly condemn them" (ii. 167).

A point in common to both Acts is the noteworthy provision by which "industrial agreements"—that is, contracts embodying "working conditions" agreed upon by employers and unions—can be filed in the supreme courts, and thus made binding for a period of not less than three years. Moreover, it has been the practice of the arbitration court in New Zealand to order the parties to a dispute to execute an industrial agreement, and such orders of the court seem to be also contemplated by the New South Wales Act.

There is one point in which the study of awards under these Acts would be of special interest to the economist. Mr. Reeves meets the objection that the awards of the arbitration court have no economic or scientific basis, by pointing out that it is equally fatal to systems of voluntary conciliation or arbitration; and that the business of a labour arbitrator is not "to please orthodox professors of political economy," but to find a reasonable *modus vivendi* for the disputants concerned. This is true; but if an award of the court is to become a "common rule of the industry," awards will acquire a character and authority which may have far-reaching effects. No doubt the arbitrators will avoid, as far as they can, any appearance of determining a speculative principle (*e.g.* that wages should bear such and such a relation to profits; or, again, that wages should determine prices, or *vice versâ*); but they can hardly avoid becoming, in spite of themselves, legislators in economic science.

We may at any rate suggest that the awards of the courts would repay the careful attention of economists. In the meanwhile, it says a great deal for the public spirit of the colonies that its most distinguished judges should have so willingly undertaken responsibilities of this character. Those who were present on a certain occasion must have been struck with the emphasis which the late Lord Russell of Killowen laid upon the peculiar nature of the responsibilities involved; he seemed to think that such an extension of judicial functions in a country like England was, at least, "a matter for grave deliberation."

Under the New South Wales Act, the court is specifically granted the power to fix a minimum wage; but it should be noticed that the arbitration court of New Zealand has laid down that a lower rate may be arranged for "the old and slow workers,"—a provision also expressly embodied in the South Australian Act, which is in other respects modelled upon the Victorian system of wages boards. The latter, however, have partly repaired the omission of such a provision, by issuing licences to old and infirm workers to work at less than the legal minimum. This permission, which is certainly liable to abuse, has apparently been so far used with discretion. We may presume that it has been dictated, as Adam Smith would have said, by "considerations of humanity;" but it is important to emphasize the fact that a minimum is not a fixed but a relative minimum; it means the minimum required for efficiency—that is, for the efficient performance of a particular work. Though, therefore, a regulated minimum tends inevitably to encourage the employment of the efficient to the exclusion of the inefficient, it does not necessarily throw the inefficient out of employment, or reduce the number of employed. They have actually increased, both in Victoria and New Zealand. And this is, after all, what might have been expected: an increase of wages means an increase of purchasing power or consumption, and, so far as that consumption is "economic," an increase of employment. Anyhow, the solicitude for the inefficient which the system of regulated wages has developed in the circles of "orthodox" economics is somewhat paradoxical. As the authors

of *Industrial Democracy* have so effectively demonstrated, the effect of standard wages or conditions of labour is not to abolish competition, but to raise it to a higher plane; that is, to concentrate it upon efficiency. Such regulations act, therefore, as a method of "selection," and are a direct stimulus to all the "factors of production,"—to the efficiency of the employer as much as to the efficiency of the workman.

It is of no little interest and significance to notice that the particular form of socialistic theory which has "precipitated" itself into the policy of a national minimum, has been put into practice in what is known as the Wages Board system of Victoria and (since 1900) of South Australia. This system is fully described by Mr. Reeves, and deserves the closest attention of economists. It should be noticed that, like the Arbitration Act of New Zealand, the wages board system of Victoria was "purely empirical," and had a definite but limited object, namely, to reform the abuses of sweating. As Mr. and Mrs. Webb put it, "the Victorian law" places every trade in which a wages board is established, in the position of the best-organized industries in this country, where every firm and every workman finds the conditions of employment effectively regulated, as regards a minimum, by a collective agreement,—

"with the added advantages that in Victoria the enforcement of the common rules becomes the business of the professional factory inspector; that no individual can break away from the agreement; and that no strikes, picketing, or other disorderly proceedings are ever needed to maintain its operation."<sup>1</sup>

These boards were originally established in six selected trades, but the provisions have been gradually extended to something like forty industries. The actual operation of the system offers many points for consideration; but, in view of the fact that a Royal Commission has published a Report, which I have so far been unable to obtain, I prefer to recommend the student to Mr. Reeves's review of the system. The question naturally arises whether the same method—that is, the

<sup>1</sup> Preface to new edition of *Industrial Democracy*; cf., also, *The Case for the Factory Acts*, edited by Mrs. Sidney Webb.

intervention of the State, in an adapted form—is not as necessary and as expedient in other countries. It must be remembered that trade unionism covers a part of the field in England, though by no means the whole of it; and that the principle of a minimum wage is an established practice of public and municipal employment. But how about trades characterized, to use the words of the Lords' Report, by—

“earnings barely sufficient to maintain existence; hours of labour such as to make the lives of the workers periods of almost ceaseless toil; sanitary conditions injurious to the health of the persons employed, and dangerous to the public”?

Such a state of things is “dangerous to the public” in other and profounder ways. Can we hope that the abuses of “sweating” can be reformed or appreciably lessened by the benevolence of the individual employer, or the conscientiousness of the individual consumer, or even by “consumers’ leagues”? It seems to me pretty certain that if once the community realized the full meaning and extent of this “sore in our midst,” the demand for public regulation, which is now only the small voice of the Socialist from his “chair,” would quickly find its way to the housetops. The new demand for national efficiency is vaguely conscious of the issue; and it may also be suggested that, if Imperialism is to mean anything that can be thought out, the action of the colonies should have for its effect the levelling up of conditions in other parts of the empire; otherwise the “protectionism” of our self-governing colonies (for it must be realized that their State experiments point to “the ideal of the closed State”) will only be a fresh lion in the path of “Imperial Federation.” It was the shoddy enterprise of the mother-country which converted a free-trade colony to protection, and history may repeat itself in another form. Anyhow, the economic basis of Imperialism will have to rest on something like a “solidarity” of industrial conditions. The adventure of “the six hatters” is, I believe, an imperfect story as it is told. But it has its moral none the less. “No sooner,” says Mr. Reeves, “did the colonies gain the right of self-government than the work of exclusion was begun”—the exclusion, that is, not only of coloured aliens,

but of "undesirables generally." "The nuisance caused by the European practice of shooting moral and physical rubbish into young countries" is Mr. Reeves's vigorous translation of the "immigration problem" which the colonies had to face. He concludes his account of the extent to which the colonies have solved the problem, by the following statement of the case, which is "strong and growing yearly stronger" against the policy of "an open door for all white men"—the policy which has hitherto prevailed.

"It is found, not only in the industrial growth of the colonies, but in the peculiar social and political lines on which they are moving. They have become democracies of a socialistic complexion, and the tinge of socialism is deepening. Have such democracies no right to select with care those whom they take into partnership? The logical sequence of the socialistic policy is the recognition by the State of a duty to all willing workers. . . . It is because colonists admit some duty to the workless that they are beginning to see the need for guarding against possible invasions. . . . It is the wish of colonial Progressives that their reformers should not be afraid to lead the way. So far from fearing to see their countries ahead of others in the march of political progress and improvement, they dream proudly of leading on the upward path. Their object is not to remain safely and cautiously on the common level, however good the company there may be, but to raise their countries and the conditions of their masses somewhat, if only a little, higher than their neighbours. If they were not succeeding, or were not likely to succeed, in this, they might not need to protect themselves by any artificial means against destitute or undesirable humanity. It is because they hope and believe that their natural advantages and bold experiments will have the result of making happy, comfortable, and enviable lands, that they have come to see the necessity of unusual safeguards" (ii. 358, 359).

Quite so; and may it not be added that it is a logical consequence of the Imperialist sentiment that the self-governing colonies cannot lead the way without the mother-country following in the wake? "It is the first duty of any Government to protect its own people:" Does "the Imperialist sentiment" realize the full implications and extent of this obligation? Can it be satisfied with regarding the State experiments in New Zealand as merely so many interesting object-lessons, or, it may

be, as simply "awful examples"? Unless something of the spirit of industrial democracy is infused into our national ideal, all the talk about imperial federation is likely to end in something worse than nothing.

There are many other of these "experiments," apart from Shopping Laws, which deserve attention—such as the establishment of bureaux and departments of labour, of the action of which Mr. Reeves can only speak in modified approval; the Victorian farm at Leongatha; the New Zealand system of co-operative contracts, by which public work is let out by contract to parties of workmen—but Mr. Reeves evidently feels that the colonies have not much progress to report on methods of dealing with unemployment.

It is, however, the old age pension systems of the colonies to which the attention and interest of students is likely to be specially drawn. Some such system seems to be a logical consequence of the responsibility which the State had already assumed in regard to its workers; but the passing of the Old Age Pensions Act of New Zealand is none the less a curious example of the ease and speed with which "a colonial democracy can, when it chooses to do so, make trial of an important economic experiment." A system passed with such cheerful alacrity could hardly be expected to be criticized with less "cheerful alacrity" by the *Charity Organization Review*, or by "correspondents of the *Times*." But—quite apart from any question of principle or expediency—even less indoctrinated critics might reasonably find, in certain provisions of Mr. Seddon's Act, "a case for grave deliberation." Mr. Reeves, as perhaps in duty bound, says all that can be said for the Act, and perhaps rather more,—

"Defects the Act probably has, but they are not of its essence; they are but blots and excrescences which level-headed administration and a little courageous statesmanship may be trusted to get rid of as they become serious;"

but he asks students to "keep a watchful eye" upon the effect of the provision by which "£1 of pension is deducted for every £15 of property which the pension-claimant owns above £50,"

though he also thinks that it is the part of the scheme "least likely to remain unamended." A comparison between the systems of old age pensions instituted in New Zealand, New South Wales, and Victoria, is very instructive; but for details the student must be referred to Mr. Reeves's book. I may notice, however, that the New South Wales Act—which was again passed "with little hesitation"—contains a provision by which the officials administering the law are empowered to consider the cases "of such poor from sixty and [?] to sixty-five years old as have been disabled from earning a living by sickness or accident." The Victorian law, which is otherwise notable for the number of its precautions and reservations, "and for the care with which it tries to confine its pensions to the enfeebled and utterly necessitous," has a similar clause. Mr. Reeves's remark is much to the point:—

"It is conceivably possible that this clause (in the New South Wales Act), if found to work well in practice, may be the beginning of a change in the Old Age Pensions movement. Instead of the demands for a universal pensions scheme, with which students are familiar, we may hear more of blending provision for poverty in old age with the maintenance of younger but helpless persons" (ii. 284).

It should be mentioned that the idea of "universal pensions," as also of "contributory" schemes, has been, under all these systems, rejected in favour of pensions to "necessitous" and "deserving" poor; and the principle on which they are based is perhaps most clearly stated in the preamble to Sir William Lyne's Act (for New South Wales).

"It is equitable that deserving persons, who during the prime of life have helped to bear the public burdens of the colony by the payment of taxes, and by opening up its resources by their labour and skill, should receive from the colony pensions in their old age" (ii. 283).

As Mr. Reeves suggests, the chief value of the colonial pensions systems is that they exist and are actually at work. They have not had a sufficiently "long run" to give the student materials for an adequate judgment, and in their present form they are certainly vulnerable from more than one side.

They must also be considered in their context, that is, in their relation to the industrial policy of the colonies as a whole. Mr. Reeves describes these systems as humanitarian; but I am not sure that it would not be equally true to represent them as consequent upon the general idea of "the protection of the worker" which has inspired the labour laws of the colonies. There is, in fact, a certain method in all these "experiments," a certain principle of connexion which is not the less significant because it has been mostly unconscious. The framers of these various Acts, however much they may have restricted themselves to "short views," and "the purpose in hand," were building more socialistically than perhaps they knew, and it does seem as if colonies are moving towards the idea of the State as the ultimate, and, therefore, ultimately responsible, employer. The State can hardly accept so much responsibility in superseding freedom of individual bargaining without accepting a good deal more, possibly more than any of the colonial "experimentalists" would accept on its behalf.

The moral of this consideration I leave for others to draw. But I cannot close this review without reiterating my sense of the services which Mr. Reeves has rendered to all students of social economics. The object of my review will be accomplished if it leads any other students to a first-hand acquaintance with his deeply interesting volumes. I may perhaps add, that Mr. Reeves's book reflects the cunning, not only of a statesman, but of a journalist, as the numerous extracts I have given sufficiently testify. Both experiences have served Mr. Reeves in good stead, and have helped to make his book as readable as it is instructive.

SIDNEY BALL.

## METHODS OF CHARITY.

ANY one who has had experience of social and religious work in the poorer parts of London should have learned one or two important lessons. First, that the idea of "doing good" by helping the poor is by no means a simple matter; the administration of charity is indeed a serious business, and, if managed without proper care and knowledge, is certain to do more harm than good. And secondly, it must frankly be admitted that, though there is ample effort and unlimited affection on the part of charitable people, but little actual improvement is effected in the general lot of the poor. It even seems as if the amount of good achieved were in inverse proportion to the amount of energy expended. The establishment of a "mission" or a "settlement" is almost invariably followed by the calling into existence of a large number of persons whose necessities are first created and then fanned abroad in the public press. At irregular intervals charitable folk leisurely turn their attention to the condition of the poor. If a frost sets in and times are bad, sympathy takes a practical and eminently mischievous form. Relief committees are soon at work. But they are not the only activities which are suddenly let loose. Every cadger in the place, every unemployed person who would be more or less unemployed under any circumstances, is promptly on the look-out for anything that may be going. Newspaper reporters revel in "copy," and a destitute child with scanty clothing becomes the market equivalent of half a column. A small army of district visitors and an irregular army of volunteers are soon on the spot. Relieving officers, who are paid officials more or less qualified for the work, are effusively welcomed as co-workers in a good cause. But these very soon leave the field, for their advice is very seldom taken, and their warnings fall on unheeding ears.

It is impossible to restrain the onslaught of irregular enthusiasm, and the conscientious "overseer" withdraws with a sigh, and patiently sets to work to remedy the disasters which he has been powerless to avert. The distress is, however, for a time relieved. Things settle down again with the poor at the bottom, where they were before. The newspapers wander farther afield to atrocities in Macedonia or forced labour in South Africa. In time fresh distress calls for fresh committees, and the old miserable tragedy of relief badly administered and the poor not helped is re-enacted on the familiar stage with old surroundings, new performers, and similar results.

In seasons of exceptional hardship the continuous sufferings of the poor assume greater prominence. Processions of the unemployed parade the streets, but, while presenting one of the saddest sights for which civilization is responsible, fail to enlist much sympathy. When the army of "wastrels" is visibly present, it is vaguely felt that "charity" is not going to achieve very much. There is hardly a man there who has not grown thin upon it. It is also more or less dimly felt, or at least hoped, that these are not the real representatives of the class whom it is desired to assist. But whence do they come? Why are they not only unemployed but unemployable? Who is responsible, and what are the conditions under which glorious childhood has developed into stunted manhood? Is it too late? Is it impossible to go into the wider field, and, not only to relieve degrading poverty, but to remove the causes which produce it? There are, too, the children to be thought of, and generations yet unborn who have done neither good nor evil. Perhaps the wider question is too academic, too unpractical, too deep for unthinking charity. Pathetic details of individual suffering are far more to its taste. Something, it is felt, must be done, and something very promptly is done. Whether that something is wise or foolish, profitable or unprofitable, seems to be an unimportant consideration. Yet people who act in a hurry usually make mistakes.

The special point to which I wish to draw attention is the normal distress of the poor under normal circumstances. That army of "wastrels" is not composed of stage figures got up for

a particular performance. It is always with us in the East, if not in the West, of London, as a huge regiment more or less compact. For the moment, we can disregard the question whether this desperate poverty is their fault or their misfortune; but I would say in passing that no one who has lived amongst the very poor—who has observed their extraordinary patience, their pathetic generosity, their unfailing kindness to a neighbour in distress, and has noted the fewness of their opportunities, the multitude of their temptations, the difficulties which block the way to sobriety, morality, and thrift—would hurriedly pass a severe judgment upon anything they might or might not do. We may speak of some of them as wastrels or cadgers, because these words represent a fact; but the offensiveness of these terms testifies to a desire that such expressions should cease to be an appropriate designation of any of our people. Now, this normal distress attracts but little attention. Abnormal distress is the string upon which we play when we desire to enlist the sympathies of the charitable. Yet it is obvious that there must be a very real and close connexion between the two. The less obvious but more serious is usually disregarded, simply because it is less obvious and occupies a smaller space in the public mind. It is the more serious because it is always with us, whereas the other is but a transitory, if unpleasant phase. The one comes and goes, and leaves sorrow in its track, but the other is a perpetual desolation. It is the more serious, again, because, if you have in some measure remedied the normal sufferings, you have gone a long way towards mitigating, perhaps even towards removing, the horrors of abnormal distress. Spasmodic charity, hurriedly applied, like a cheap medicine, to the more distressing symptoms, does not touch the root of the matter at all. It is only "once blessed," and probably does more harm than good because unskilfully applied. Certainly it achieves no permanent good. If there has been any improvement in the condition of the poorer people since relief funds became popular, it has certainly not been due to the charity which gave them birth.

Now, he would be a bold man who would dogmatically propound a working theory, and guarantee its success in connexion

with the present question. Such a prophet occasionally arises, and dazzles the eyes of the public with the brilliancy of his teaching and the supposed originality of his plans. The money is supplied, but the guarantee proves worthless. Still, though the question remains unsolved, we may at least try to learn something useful from past failures. They may serve for a warning if not for an example, and we may possibly discover certain fundamental principles by which we should be guided in the future, and which would prevent us from trusting to the haphazard methods which are so universally popular. The fact that so much effort has been thrown away, and so much time and money have been unproductively expended, is no reason for sitting down, like a tired child, and saying that the problem is too difficult. But it must be recognized that an evil of many generations' growth is not to be remedied in a few months or even in a few years. At present, people will give money readily enough to the first comer with a loud voice who promises to remedy the situation; but they will not, perhaps they cannot, give personal service intelligently administered. Or, again, they will support any scheme which promises an immediate cure, but they have a poor appreciation of theories or principles which will require a lifetime to effect any permanent improvement. They want a well-defined scheme which will work out with the regularity of mathematical demonstration, and this is just what they cannot have. We are dealing with men and women, not with machinery; with human life and moral character, and not with a problem which may be expressed in scientific formulæ. No individual in the present generation can hope to be more than a sower. The only harvest he is likely to reap is from seeds which have been sown by wise or foolish people who have gone before. And a poor kind of harvest it often is—"corn blasted before it be grown up;" a miserable line of unemployed, "women and children warehoused, men public-housed, and the aged work-housed."<sup>1</sup>

It is true, no doubt, that justice is required rather than charity; but we shall never get justice while charity occupies

<sup>1</sup> Mr. John Burns' speech in the House of Commons, Feb. 2, 1903.

the field, and, even if we did, the problem would not be solved. Moral character is not an unimportant factor, and the lazily thinking philanthropic person is at once discouraged by this fact. Perhaps there is not much to encourage him, for moral character is a plant of somewhat tardy growth. Even the most faithful worker amongst the poor is apt to become discouraged when he (or more often she) realizes the fact that any tangible result of efforts generously made is but as dust in the balance, and that nothing has been achieved unless a slow-growing seed has been planted. And for the most part it is not felt that this is our proper work. We did not go to the East End for anything half so prosaic as "intensive cultivation," but rather to succour the dying, to minister to the afflicted, and so on. Our motives were pure, our aims high, and our duties as definite as the advice of an Irishman in a row, "Whenever you see a head hit it;" so whenever we see distress we feel bound to relieve it. But nothing can excuse a person who so acts on the spur of the moment without a thought to ultimate consequences.

"The evil that men do lives after them ;  
The good is oft interred with their bones."

Two conclusions, therefore, are forced upon our acceptance. In the first place, we have to understand that the material necessities of the poor, which arise most surely from social disorder, require as much knowledge and discrimination for their proper treatment as do the maladies of the human body. The finest hospitals and the most approved medical science are freely at the disposal of the very poorest for the comfort and restoration of their bodies. But while social maladies are far more serious and more wide-spreading than bodily infirmities, and demand the most careful and scientific treatment at our disposal, this is exactly what, speaking generally, they have not had. In medical practice men are not above learning from, and adding to, the stored-up experience of former generations. In ministering to the poor comparatively little experience has been gained, and even that for the most part is ignored. We muddle along in the same old hopeless way, with tender hearts and

uninformed minds; and in our vague unconsciousness of the real questions at issue, we re-apply the same old-fashioned remedies and repeat the same old-fashioned experiments to the greater distress of the suffering poor. There are few amongst us who do not, in quiet conversation, deplore the ineffectiveness of present-day methods, but such regrets generally end with a pathetic confession of impotence—"But what can we do?" In the second place, we should recognize that if extreme poverty could have been remedied by unlimited means, boundless philanthropy, and devoted self-sacrifice, it would have been abolished years ago. If we ask why so little result has followed so great endeavour, the answer seems to involve a wholesale condemnation of the methods which have been so long followed almost without a protest.

What, then, are those methods? I think we may say, first of all, that they are eminently practical. "The hungry are fed, the ill-clad clothed, the sick visited." And it is generally assumed that these are works of charity whose titles are guaranteed by the teaching of the New Testament. The practical man, however, is sometimes very shortsighted; he can see the immediate results of hasty action, but may be entirely incapable of perceiving its ultimate consequences. The consequence is that charity is often charged with creating more poverty than it relieves. The greater the resources at the disposal of an individual or an institution, the deeper, only too often, are the depths of poverty into which the unfortunate recipients of such bounties are plunged. There are districts of which it may truly be said that they have been hopelessly pauperized by the charitable relief which has been poured into them. Surely there must be something fundamentally wrong in methods and principles which are followed by such disastrous results.

Secondly, the distribution of charity is in a deplorably chaotic condition. In the absence of any central organization, which might correlate and guide the work of all the numerous philanthropic societies, the latter continually overlap and interfere with one another to such an extent that the "workers" tumble over each other in their anxiety to be doing something.

The different religious bodies each have their separate organization, and do not always rise superior to the temptation of exploiting the poor for sectarian or political purposes.<sup>1</sup> If "tickets" or a fortnight at the sea-side have been provided for the distressed, it is hard not to expect a return in the way of votes when the election of a guardian or a member of parliament takes place. In charitable work, however, there is no necessary connexion between relief and a particular form of religious or political faith. Yet, in practice, a "case" is often referred to the Church of which it is, or is supposed to be, a member. This in itself is disastrous. It teaches men and women to be mere hangers-on to an ecclesiastical institution for what can be got out of it.

Speaking generally, then, I think it is neither unfair nor inaccurate to say that the condition of the very poor as a class is not being improved by the methods adopted by most of the philanthropic agencies now at work, and that there seems to be very little conception of the existence of laws or principles which might be of real use in dealing with the needs of the poor. Now, when we look out upon the broad expanse of unorganized relief, intermittent charity, and ill success, we are driven to ask whether there may not be some laws or principles regulating the production and prevention of poverty in the same way as there are laws connected with the accumulation and consumption of wealth. Is the Kingdom of Misery the only realm where there is no "reign of law"? To ask the question is to answer it. Wise men have preached to us about the universality of law. It may be worth while to listen to their message, and apply it to our needs. To know that there are

<sup>1</sup> Mr. John Burns spoke of 'the dangerous phenomenon growing up in our great cities, of the ambitious and advertising persons who exploited the unemployed movement with soup dinners here and blankets there, frequently to the detriment of able men with small purses. The other day he saw in one district the children of one family in a soup-kitchen, the mother in a mission-room, and the father in an unemployed procession cadging in the streets. How could they expect anything but a race of paupers from such a combination of circumstances?' (House of Commons, Feb. 19, 1908). Mr. Charles Booth has justly criticized the competition between the churches and their "atrocious system" of bribery, in his recent volumes on the *Life and Labour of the People in London*.

laws is a step in the right direction. We shall want to know next what these laws are; what they are doing with us, and what we are to do with them. And, in the mean time, to know that there are, somewhere, laws or principles upon which we can depend, and that everything need not be left in a hopeless chaotic condition, is in itself a great encouragement. Here, at any rate, is a glimmer of light, and we may follow it until it leads to more light. At all events it should be obvious that no improvement can be expected unless we work in conformity with the laws of social science. These laws may be called the laws of nature, in spite of the obvious objection that Nature "red in tooth and claw," is ordinarily credited with being full of cruelty and a fierce lust for vengeance. We have been told that her laws are hard, cruel, and relentless; that, so far from regarding her as beneficent, we are bound to believe she is very much the reverse. Our own personal experience, too, seems to lead to the same opinion. The manifest cruelties of the unhindered processes of Nature are too clear to be either concealed or ignored. And she punishes a mistake, we notice, with the same unswerving determination that she inflicts upon a crime. That a motive is pure, or a mistake accidental in making up a prescription, does not atone for an error. If the natural law has been broken, the punishment falls on guilty or innocent alike, whether that law has been broken wilfully or ignorantly. This at least should teach, as it has taught in many departments of life, the vital necessity of not making unnecessary mistakes.

A little further consideration, however, causes us to modify our judgment. We notice that the laws of Nature are cruel only when they are broken or resisted. Men may learn again, as has been frequently learnt in the past, how to enlist these very laws in their own service, and to their own profit. If a terrible power is around and about us, we may at least have some share in controlling the direction in which it operates. As Bacon has taught us, we can compel the aid of Nature by obedience to her laws, and can convert a powerful enemy into a valued ally. Then we find not only that the laws of Nature are not cruel when intelligently understood and co-operated with, but

also that they are kind and beneficent. And what is true in the physical sciences can hardly be wholly false in the region of morals. The reign of law must cover the whole man, and not his body only. Obviously, moral questions are more difficult and more complicated than those connected with physics or medicine; but surely it is not beyond the wit of man to discover some guiding rules for that busy army of workers who are toiling with so much patience and with so little success in the wide field of human misery. The problem has to be solved by the brain rather than by the heart. Poverty and its consequences are but the natural and inevitable result of outraged laws, many of which have been proclaimed to the world for generations, and have been persistently ignored because we have objected to them. Perhaps, when we have submitted to the guidance of those we know, we may be able to go a step farther, and learn something of those of which we are as yet ignorant.

As an example of a law known and disregarded, we may turn to one which bears upon it all the marks of apparent cruelty. Many hundred years ago it was authoritatively announced that the sins of the fathers are visited upon the children. A more cruel law could hardly be conceived, and the instinct of man revolts against it. The law, nevertheless, was reiterated over and over again. The history of the world bears witness to its fatal truth. Yet it touches each one of us on the quick. It is a law under which we writhe. It is read each Sunday in our churches, but we put it from us as something abhorrent to the finer instincts of man. "No, no; the children must have a chance; they must not suffer, even for the sins of their own kith and kin." So we plead and protest, and yet children at all times and in all places have suffered for the sins of those who have given them life. It is useless either to ignore the law or to fight against it. Each generation, as it reaps the harvest which a previous generation has sown, bears its silent witness. The whole body of the unemployed, the wretched homes from which they come, and the ill-clad children they leave behind are a constant witness to the truth of the law and its awful severity. The fault, we proclaim it gladly, is not all their own. The sin

of one generation is being visited upon that which follows after. An old Hebrew prophet rediscovered the law, and expressed it in epigrammatic form, when he said, "The parents have eaten sour grapes, and the children's teeth have been set on edge." There is the law. Unripe grapes were not intended for consumption. The law was broken, and the inevitable result followed. It is vain to plead that the law is harsh, cruel, and vindictive. Man is not in a position to fight against it. It is too strong for him, and he must make the best terms he can. Perhaps he may yet discover that it is a friend in disguise. But instead of making the best of it, and trying to co-operate with it, he is constantly engaged in fighting against it and hurting other people in the process. The fact remains that we cannot wrestle against Nature with impunity. And yet this is what we are constantly trying to do. We endeavour to interfere with inevitable results, and to restrain the hand which punishes. The disastrous consequence is that, if we succeed for the moment, and in proportion to our success, we only stay the punishment for a while, and it falls later with increased violence. Applied to the actual problems of life, this law should teach the desperate folly of doing anything which lessens the idea of parental responsibility. That idea has been much weakened of late years, and everything which is done for the children with the primary view of profiting them, has the subsequent result of relieving the parents of responsibility and adding to the magnitude of the disaster. Ultimately it is bad for parents and children alike. The law is very largely ignored, not only amongst the poor, but in every class of the community. There are not many persons whose lives are practically influenced by the remembrance of it. And forgetfulness is as disastrous as crime.

But if the law is there, relentless and unchangeable, we can at least see that there is another principle very closely connected with it, which may give us some encouragement. Punishment in the hands of responsible authority is not vengeance, but instruction in righteousness. When we were children, we were told, in words which seemed to add insult to injury, that the

infliction of punishment was not, as we had supposed, for the private satisfaction of other people, but for our own good. It was difficult to believe this, more especially when the punishment was inflicted with scientific accuracy. But if it was painful, it was at least salutary. To have treated us otherwise would have cast a doubt upon our sonship, and exposed us to still further inconvenience in the years to come. Nothing is more intolerable than a spoilt child who has persistently broken the law and evaded punishment. But judgment catches him at last, and in a more serious form than if it had descended upon him earlier. And so long as we can be assured that a law works out for the general good, we need not be disturbed by the inevitable fact that it must fall heavily at times on particular individuals.

The whole question of practical charity bristles with difficulties, and must be dealt with in a thoroughly scientific manner. At present there is plenty of enthusiasm but too little knowledge. Relief funds, as now administered, may relieve the public conscience, but for the most part they only serve to deepen the distress of the suffering poor. What we need is a clear and definite system, based on sound common sense and deliberate judgment, which might lessen and ultimately remove the disastrous results of reckless impetuosity and impatience.

C. BAUMGARTEN.

## THE PROPOSED NEW FISCAL POLICY.

THE proposals sketched by Mr. Chamberlain raise a great variety of questions, some of which fall wholly outside the scope of this Review.

I. The exact relation between political and economical interests has been discussed ever since the days of Adam Smith. Readers of the *Wealth of Nations* do not need to be reminded that the author mentions two cases in which a protective policy is advisable, and one of them is the case in which it is rendered imperative by the need for national defence, and he quotes the Navigation Acts as an example. These Acts, by artificially creating a demand for sailors in our mercantile marine, practically provided a supply on which the pressgangs of the royal navy could draw. Without stopping to discuss this particular example—and much might be said for and against the success of these Acts—it is clear that Adam Smith's principle is sound. Once show conclusively that national policy demands a particular fiscal system and a particular economic situation, and the argument is closed. Economic considerations must give way. But it will be noticed that, like so many obvious principles, it raises more questions than it settles. It will be always difficult to arrive at certainty with regard to the effects of a proposed course of action. It may be urged that, "in the long run," there cannot be any real divergence between the economical and the political interests of a people; or, to put it in another way, that material well-being is a condition precedent of all prosperity. The English have long enjoyed the injurious title of "a nation of shopkeepers," not, surely, because we are all supposed to carry a yard measure about with us, but because, owing to our insular position, we, and we alone of European nations, have been able to give to economic considerations what has seemed

to others a disproportionate place in determining policy. The situation was tersely and graphically described by a German: "Here are we denying ourselves in every way to maintain our army, and you English, you sit there and grow rich." It is not difficult to see that the problem presents itself in very different lights to different nations. But happily the problem itself does not fall within our scope. On the general question of the part played by economics in national welfare the economist has much to say, but it is as advocate, not as judge. On the question whether this or that particular economic consideration should outweigh this or that particular political consideration, there, again, he must take his case into the court of the statesman, and the statesman must decide. It is enough for the economist to sketch, as forcibly as he may, the economic effects of a definite proposal. In the present instance both the press and public opinion are in a state of muddle. They cannot keep the political question separate from the economical. They cannot think clearly enough to come to any conclusion on the general principle before they bring the particular question under it. They would fain pronounce judgment, not merely before they have heard both sides, but before they have grasped what is the case before the court. The result is such as might be expected. Starting with a *parti pris*, each side lays hold of any argument, any historical precedent or analogy, any statistical statement, which seems to make in favour of the line taken by his political leaders. If he study the question at all, the average man "finds his impressions confirmed."

II. Let us consider, first, the historical precedents which are freely used in this connexion. It is urged that the progress of England in the Middle Ages, with all that it implies, was largely due to the freedom of internal trade. The solidarity of France was powerfully helped on by the removal of all obstacles in the way of exchange between the old provinces. The German Empire of to-day was formed commercially before it was possible politically; the Zollverein is the true base of the Imperial throne. Now, in connexion with these instances, it may be noticed that the one conclusion which can be drawn is that freedom of

exchange conduces to political unity, which might be expected *a priori*. Freedom of exchange promotes joint interests; it renders dissension costly; it promotes good feeling and mutual understanding. So far so good. And England has offered to her colonies complete freedom of trade; it is the colonies which have rejected it. But the case is not so clear when the negative side of the argument is pressed, viz. that preferential trade will help on consolidation. To unite by internal freedom of trade is one thing, to unite by exclusive trade is quite another. The one appeals to the better side of patriotism, the other to its prejudices. To extend the area of prejudice from the nation to the empire may be to strengthen it or to weaken it, and who can strike the balance of advantage? Certainly it is not for the economist to attempt to do so. The philosopher must settle the preliminary question whether prejudice is a good thing or a bad. The German Zollverein removed mountains of prejudice as between the states of Germany, but it has strengthened prejudice as between Germany and other nations.

III. The proposal may be considered from the point of view of the colonies and of the Mother-country. But before considering the advantages which a system of preferential rates offers to the colonies, a few preliminary remarks must be made. We commonly speak of "the colonies" as if they were a homogeneous whole with identical interests, but this is far from being the case. Colonies differ widely *inter se*, in their products, their fiscal systems, and their economical history, and it is by no means easy to design a tariff suited to all, whereas differences of treatment give rise to discontents. Roughly, the colonies have this in common, that they export raw material and import manufactured commodities. For many years past the policy of the colonies has been to put heavy duties on these imports, in order to foster the growth of home manufactures. Such a policy is justified by authority in the shape of a paragraph in Mill's *Political Economy*, and on the ground that it secures a greater variety of industry, and so avoids the disastrous effects of depression in a single industry. Meanwhile their export trade of raw materials has suffered greatly from competition.

Corn is imported into England from Russia, the United States, and South America, in wool there is a growing trade with Argentina; in short, the English policy of free imports has stimulated production and exportation in all parts of the world. What wonder, then, if the colonies have begun to cast about for some arrangement by which they can secure something more like a monopoly of the English market for their produce? For this they must offer some compensating advantage to England, and they offer to reduce their duties on imports in the case of England, retaining them as against all other countries.

Let us take, first of all, the extreme case, that England conceded them a complete monopoly of the English market, in return for complete freedom for her exports to them. The gain to the colonies would, in some cases, be very great. Canada, *e.g.* would be able to sell its wheat at a much higher figure, the profits of farming would rise, the attractions to immigrants would be greater, and the value of land would go up all through the Dominion. Australia and New Zealand would profit by a rise in the price of wool and of canned meats, and those industries would flourish. On the other hand, the effects of free English imports would be as great. We can undersell the colonial producer in all manufactured articles; the price would fall rapidly, and the carefully-nursed home industries would collapse like a house of cards. Capital and labour would migrate from the less profitable to the more profitable employment. Now, it is only in human nature to try and secure a benefit without any corresponding loss. The colonies wish to secure an advantage on the English market without sacrificing their home industries, and their policy is obvious. They do not propose complete abolition of dues, but a preferential system, and here they will try to drive a bargain. From their point of view they will best secure their own interest by giving an illusory advantage in exchange for a solid gain. The tariffs of the various colonies are so complicated, including hundreds of articles at different rates that the question becomes largely one of detail, but the main point is clear. In Canada, *e.g.* the duties on some imports have been as much as 45 per cent, *ad valorem*,

i.e. the price of an import is raised nearly half as much again. No doubt a large proportion of this duty might be remitted without putting English goods on an equality with those produced at home. We may expect the colonists, then, to do their best to secure a maximum of imposition on this side in return for a minimum of relaxation on the other. But it must be noted that the circumstances of colonies are not by any means the same. There is far more competition, e.g. in wheat than there is in wool. Canada is almost the only colony sending us wheat, whereas Australia and New Zealand compete *inter se* in the supply of wool. A large duty on foreign wool would not benefit Australia or New Zealand nearly as much as a small duty on wheat would benefit Canada. Again, owing to local circumstances, such as the vast supply of virgin soil in Canada, the wheat interest is far stronger than the manufacturing, whereas in Australia and New Zealand the manufacturing interest is at least as strong politically as the pastoral.

When we come to consider the proposals from the point of view of England, and England's economical interest, the case is very different. The policy of England has now for more than half a century been to have free imports. It is worth noticing *in limine* that the arguments for free imports are wholly independent of those for free exports, if the phrase may be permitted. No doubt the free-trader would prefer both, to be able to sell where he would, and to buy where he would, to be left to find his own markets; but it does not follow that the absence of the one is ground for losing the other. The arguments based on what is termed "one-sided free trade" are more specious than sound. Free imports secure our cheap raw material, and it is raw material, chiefly in the form of food, that constitutes the bulk of our import trade. Cheap raw material means a low cost of production, and a low cost of production means a low selling price, and this means an advantage in foreign markets. Put a duty upon imported raw material and that advantage is gone. Now, it is just this sacrifice which Mr. Chamberlain invites us to make. What are we offered in exchange? We are offered an advantage in the colonial

markets. But these are so far from being the most important that our exports to our colonies are not more than a third of our total exports. We are then asked to sacrifice an indefinite proportion of two-thirds of our trade for an indefinite addition to one-third. What the sacrifice or the gain would be precisely we cannot say till we have the details of the scheme before us. Equally indefinite at present is the prospect that in time our colonies will take the place of our foreign customers; what is confessedly certain is that for a time, at any rate, we must submit to a large reduction of our foreign trade. This would imply a considerable falling off in the demand for labour, and consequently a lower rate of wages. It is very difficult to see how the increased price of food could, under these circumstances, be accompanied by a rise in wages.

The remarks of Adam Smith on the colonial trade are still in point. If labour and capital are artificially directed to a certain trade, the result can at most be to divert them from other trades. This must mean from a more productive to a less productive, for otherwise self-interest would transfer them, without the need of pressure from without. It would be far more honest to say that the political advantage—granting that there is one—must be purchased by an economic loss, than to attempt to prove that we shall “in the long run” gain in both ways. And if it should prove to be the case that the colonies are able to give reductions in their duties which, while seeming to be considerable, are not really sufficient to give us an open market, it is difficult to imagine where we can economically gain at all.

Another advantage which we owe to free imports is our comparative immunity from trusts and corporations, which play so large a part in the economic life of America. Any attempt in this country to obtain a monopoly of supply of any article would be promptly met by importation from abroad; whereas in America the secure possession of the home-market enables producers to combine. That such combinations are to the hurt of the consumer is as yet more often stated than proved. The self-interest of the combinations will prevent them from raising

the price to a point at which it checks consumption, and the scale on which they produce enables them to economise greatly in the expenses of production. Experience at present only shows that the possible advantage of a fall in price due to competition has not been secured to the consumer, against which we must set the gain from regularity. But the existence of these trusts in America and their aggressive policy in recent times gives a fresh argument for protection, which may fairly tell in favour of Mr. Chamberlain's scheme. Granted the existence of vast combinations, with enormous capital, and the home market secured to them, what is to prevent them from employing a certain proportion of their profits to undersell English producers on this side of the water? If they can carry out this policy, and force a loss for some short time, they might succeed in ruining, *e.g.* the iron and steel industry here, particularly if they have secured a controlling interest in the means of transport. This is no mere chimera at the present time, and a day may come when we shall be compelled to adopt a protective policy to meet such tactics. Recent advices from America seem to show that we may fairly hold our hands at present, and see how far these combinations are a real danger. They are threatened by what seems to be an inherent tendency to speculation, and by possible difficulties with the labouring class.

Such is a short summary of some leading points in the situation. After all, even if it be proved to be to our disadvantage economically to embark upon a system of preferential rates, the question still remains, is the political gain worth the economical sacrifice? But that, to repeat, is a question for the statesmen, not for the economist. The economist has done all that he can be asked to do, and all that he can claim to do, when he has sketched the economic results of a course of action. Whether in view of those results the course of action shall be adopted, or not, is a matter which may well task the highest statesmanship of this country.

L. R. PHELPS.

## NOTES AND MEMORANDA.

**HOME INDUSTRIES IN NOTTINGHAM.**—There are two ways of considering an industry. It may be considered from a strictly economic standpoint, or from a broader and more human standpoint. In the former case, exact accuracy and a wide view of economic tendencies are necessary ; in the latter, an intimate knowledge of the workers, their work and their homes, is most likely to ensure a correct account. These notes do not profess to do more than give a general account of the home industries of a midland city from the latter point of view. The object is not to tabulate figures with unerring exactitude, but to portray certain conditions of labour with sympathy. This course needs no apology ; for the essential truth about an industry is not to be found in the prospectuses of companies or in the bank-books of capitalists, but in the homes of the workers. This is peculiarly the case when the industry is itself carried on at home. It is difficult for those directly engaged in an industry to regard it from any but an individual point of view ; yet, if a man's sympathies can be broadened, much is gained thereby. The worker's point of view is frequently distorted ; it is certainly not wholly fair. But, while it is the least often presented, and the most misunderstood, it is also the most profitable to understand. Only friendship and sympathy can make it articulate, and can save it from the contempt with which the employer and even the economic theorist often regard it.

It is characteristic of Nottingham that she should call herself queen of the Midlands ; she is essentially feminine. Love of change, love of dress, love of pleasure—these are some of her distinguishing marks. Undoubtedly they distinguish the men quite as much as the women. But it is a suggestive fact that there are 16,000 more females than males in the city. This is an abnormal state of affairs. It is no surprise to find that there are few towns in England where so large a proportion of the work is carried on by women.

Much of the work is wrapped in the obscurity of home. And at first sight it seems under-paid, badly organized, and unhealthy. It should be remembered, however, that much of it is, so to speak, interchangeable—that is to say, it may be done in the factories or warehouses,

where it is rather better paid, and, of course, under more wholesome conditions as regards ventilation, hours of labour, and so forth. The factory system is far from perfect, and many idealists may look forward to the time when the family will again become the industrial unit. But that time is still very far ahead. Meanwhile the factory system may be proud of the improvement which it has effected in industrial life.

Home industries in modern towns are usually of a secondary nature. They do not form the staple support of the family, but merely serve to eke out the family exchequer. On the other hand they sometimes form a more *regular* source of income than the earnings of a navvy or a day-labourer. This is notably the case in Nottingham. In the neighbourhood of the Lace-market there is scarcely a family which does not take in work of some description. And even on the outskirts of the town, and in the villages round, hundreds of women may be found doing work for the warehouses at home. The casual visitor soon becomes bewildered as to the meaning of all this drawing and scolloping and jennyng, this spotting, chevening and making-up!

Briefly, these home industries centre round two trades, the two familiar trades of Nottingham, lace and hosiery. The latter has long passed its sunny days as a home industry. Every year more of the work is done by machinery and in the factories. And the factories themselves are said to have been driven away, to some extent, by Luddite riots in the past or the high rates and spoilt workpeople of the present. Still a fair amount of "making-up" is done at home. At herring-boning the neck of vests, putting a silk-slip to the front, button-holing, etc., a woman will earn as much as 1s. 6d. a day, or more than that if she has a machine costing about £8. Seaming the sides of vests is a typical process in making-up. A woman doing it by hand gets 6d. a dozen, and can manage about two dozen a day. Chevening or embroidering fancy socks or stockings comes under the head of hosiery work. But it is now mostly done in the factories. The pay varies from 2s. to as much as 12s. 6d. per dozen pairs. An example may be quoted of an old woman who earns about 5s. a week at it, working as health and eyesight allow.

Other fairly paid work is shape-work. By twisting wire into hat shapes a skilful woman can earn 2s. a day. The wire is provided. Obviously this work is dependent on the caprice of fashion.

Cap-making is an offshoot of the lace trade. Servants' and widows' caps, made on shapes by needle and thread, are paid for at the rate of about 1s. 7d. a dozen, and a dozen is a day's work.

Other processes in connexion with the same trade are beading and

pearling. The former is done by putting beads on a needle, five at a time, and sewing them on to frilling. The worker gets about  $6\frac{1}{2}d.$  for a dozen neck-lengths. At pearling, which is a similar process, a woman can get from  $4\frac{1}{2}d.$  to  $9d.$  an hour. Coming to processes in the preparation of the lace itself, there is grafting, which means joining together lengths or pieces of lace, and mending, the mending of rents or flaws in the lace as turned out from the machine. As may be imagined, this is sometimes highly skilled work, and has been known to bring in as much as  $5s.$  a day.

Speaking generally, it may be said that each of these industries enables a woman to support herself. And there are many bright homes of old maids or widows in Nottingham, which are supported on them; and in other cases wives, without grinding toil, can help to bring up the family.

Far otherwise is the case with clipping, scoloping, and drawing, the three processes usually meant by the term "lace-work." Clipping is the cutting off of the ends and knots of cotton left on the surface of the lace in the process of manufacture. Scoloping is cutting out the shape of the lace at the edges; for all lace is made with a straight edge. Drawing is pulling out the threads which hold together the lengths of lace in a breadth or piece.

All this work is unskilled, and badly paid. The worker usually gets from  $\frac{1}{2}d.$  to  $1d.$  for a dozen yards. There is a certain amount of variety in the work. For instance, in addition to ordinary drawing, which is done with the fingers alone, there is quilling-drawing, which consists in drawing with a needle from plain insertion said to be used in continental coffins. This is slightly better paid. Or, again, the exigencies of modern millinery have produced a form of scoloping both edges, for the trimming of hats, etc., which is better paid than ordinary scoloping.

It might be well to mention here two subsidiary processes in the preparation of lace for sale. First, jennying; that is, winding lace on a card by means of a little hand-machine. One hundred and eight yards is a usual amount to put on a card, and something like a  $\frac{1}{2}d.$  a card is a usual price for the work. From  $2s.$  to  $3s.$  a day may be earned in this way. But this is now usually done in the factories or warehouses. Secondly, spotting or chenille spotting, which consists in putting spots on to veils. A cheap and nasty way is becoming common. But the real way is to attach little lumps of chenille to the veiling by means of a tiny wire in the chenille. This is done very quickly by a skilled spotter. And so it needs be; for  $2d.$  a thousand spots is an average rate of wages.

Of course payment varies considerably ; as does also the ability of the workers. All the above figures are founded on a very large number of cases, and may be taken as a rough average of what the workers get. It is certain, however, that what the workers get is by no means what the manufacturers give. A certain amount of work, no doubt, is "first handed." That is to say, it is given out directly, and paid for by the manufacturer. But by far the greater portion, at any rate, of lace-work is "second-handed." In other words it comes to the worker through the agency of a middleman. In thankfulness for small mercies, it is a pleasure to record that "third-handed" work is an unknown expression. Of course the middleman is the scapegoat of trade reformers. But he or she (for in the industries under consideration it is almost invariably a "middlewoman") has useful functions to perform. Usually she is some trusted, elderly woman, often a former employee of the firm from which she gets the work. Perhaps she has left the warehouse to get married, lost her husband, and does not like the idea of going back among a lot of girls. She is therefore entrusted with a certain amount of home work, part of which she often does herself and part of which she lets out to others. An ordinary first-hander has a certain number of women working for her, as a rule from three to a dozen. In addition to this form of middlewoman, there are a certain number of little private warehouses which perform the same functions. It is impossible to say to what extent the workers are cheated and sweated by these sub-employers. Probably the evil is greatly exaggerated. The fetching and carrying of the lace, responsibility for damage, etc., is not overpaid by one-third of the profits. This may be considered as a fair average. For example, if the manufacturer gives  $\frac{1}{4}d.$  for a dozen yards of clipping, the clipper will get a  $\frac{1}{2}d.$ , and the remaining  $\frac{1}{4}d.$  will go to the person who gets the work out and returns it. Of course, instances of unfairness may be quoted, but a careful investigation of complaints shows them to be unfounded as a rule.

The foregoing facts might well be left to speak for themselves. But it may not always be easy to argue from the particular to the general in these matters, and a word or two of deduction will perhaps be allowed. In the first place he would be a bold man who would pronounce the system of Home Industries in Nottingham to be either good or bad. That there is room for improvement is indisputable. But this improvement must be preceded by the acknowledgment that the commoner kinds of lace-work do *not* afford a "living wage." A woman who well merits the title of champion clipper, such is the dazzling dexterity and speed of her scissors, claims to be able to earn

3s. a day. But none of her neighbours will believe it. Now, though families cannot *live* on the worse-paid kinds of lace-work, they do somehow contrive to *exist*. And a man who loses his job through drunkenness or sheer laziness is not placed in such a dilemma as he would be, were it not possible for his wife to "earn a bit." When a woman does the better paid work, such as mending, she can often earn more than her husband. Many men take the obvious and degraded course of letting their wives keep them. Again, there is the unmitigated evil of child-labour after school hours. In home after home the children are kept out of the fresh air to do lace-work in the one tiny "living room" of the back-to-back houses which are the shame of Nottingham. The extent of the evil will be realized when it is stated that children as young as four years are sometimes expert clippers. The children's toil is lightened by the hope of an occasional penny, which they can get by selling the cotton "drawn" from the lace for 2d. a pound. This is usually the children's perquisite, but it is an infinitesimal reward. Ridiculously improvident marriages are sometimes contracted on the strength of the bride's possible earnings. A recent example is that of a girl who married a boy earning 10s. a week. In a few years six children had made their appearance. The wife's earnings, of course, fell to zero, and though the husband's wages have been raised to 12s. 6d., there can be no possible hope of rearing the children under healthy conditions. The seamy side is often uppermost in lace-work and the lives of its votaries. On the other hand, it is a great blessing that hard times, caused by slackness of trade or bad weather can often be successfully and happily tided over by the co-operation of an energetic wife.

A few words must be said in conclusion about the material conditions under which the work is done, and the legislation which affects it. The homes of the workers are often dirty and sometimes insanitary. It is by no means an unknown thing for work to be done in houses where children are suffering from infectious disease. But this is, of course, forbidden by law. And it is rendered almost impossible by a stringent Act of 1902, which lays the duty of inspection on the local authorities. Every firm is bound to supply to the authorities, twice a year, a list of all its home-workers, and also to have a list always available on the premises. This rule also applies to the sub-contractor, who gives out work second-handed. It might be suggested that some such precaution might have been taken, before the Act, by private firms for their own credit. But it seems a recognized disclaimer that "we cannot follow the work home." This may or may not be allowed as an excuse. But it would be a useful education to

some of the employers if they did follow the work home. And they, being practical business men, might be able to suggest improvements which cannot occur to the ordinary investigator from outside. The truth, however, lies in that conclusion which is so comforting to most Englishmen—things might be much worse.

ARTHUR W. HOPKINSON.

THE MOSELY INDUSTRIAL COMMISSION.<sup>1</sup>—Mr. Mosely is to be congratulated on the success of his generous scheme for taking a number of trade union secretaries for a tour in the United States and Canada, in order that they might see for themselves something of the general conditions of industry on the other side of the Atlantic. Encouraged by our own Board of Trade, and heartily welcomed in America, the members of the Commission made the most of their opportunities, and the whole series of Reports is full of interesting information. No attempt has been made to generalize the results of the investigation. Mr. Mosely has contributed a preface to the collection of Reports as now published, in which he frankly states his own personal views of the situation, and each delegate was left free to present his own report in his own way from the standpoint of the particular trade which he represented. But besides his individual report, each delegate was asked to reply to a list of forty-one specific questions.

The chief practical effect of the Commission, it may be confidently expected, will be to promote the more extensive use of machinery in this country. The blame for any past slackness to utilize machinery to the fullest possible extent must be shared by the British manufacturers no less than by the trade unionists: the former have been loth to “scrap” their old machines, and not quick enough to introduce labour-saving inventions at the earliest moment; while the latter have never wholly got rid of the old idea (for which, indeed, there is some excuse in England) that new machinery inevitably results in a reduction of wages. In America, this prejudice on the part of workmen against the introduction of new machinery and the general speeding-up of the processes of manufacture has been largely overcome by allowing them to participate in such economic advantages. The difference between England and America in this respect, according to the opinion of Mr. T. A. Flynn, the representative of the Amalgamated Society of Tailors, lies in the fact that “the conception of the worth of the machine is as opposite as the poles—in England, entitling employers

<sup>1</sup> *Reports of the Mosely Industrial Commission.* [279 pp. 4to. 2s. 6d. Co-operative Printing Society. Manchester, 1903.]

to a reduction ; in America, entitling workmen to three times the amount." And Mr. C. W. Bowerman, of the London Society of Compositors, relates that, when the party visited the National Cash Register Works at Dayton, "just inside the factory a notice was displayed, stating in three lines of bold letters, 'Improved Machinery Makes Men Dearer, Their Products Cheaper,' and the manager, in welcoming the visitors, stated that Americans were never content to do anything by manual labour that could be done by machinery."

Mr. Mosely's summary of his own conclusions on the whole matter may be taken to represent very fairly the general impressions which any impartial reader might gather from a study of the various Reports. "If we are to hold our own in the commerce of the world, both masters and men must be up and doing. Old methods must be dropped, old machinery abandoned. Practical education of the masses must be instituted and carried out upon a logical basis, and with efficiency. The bulk of our workmen are already both sober and intelligent, but with many of them there is urgent need for them to become more sober, more rational ; more ready to adopt new ideas in place of antiquated methods, and improved machinery whenever produced, and to get the best possible results from a day's work. Manufacturers for their part must be prepared to assure their men a piece price that will not be 'cut' when the latter's earnings exceed what has hitherto been considered sufficient for them. Modern machinery must be introduced, co-operation of the workmen sought, and initiative encouraged in every possible way."

On the other hand, it is not improbable that, after their experiences in America, most of the delegates will be more content to put up with any imperfections in our social and political system, and it is evident that few of them are at all inclined to express an unqualified approval of the pace at which American industry is driven. It is true that, in answering question 35, the delegates are by no means unanimous in thinking that the average life of the American workman is shorter than that of the English workman ; but some of them are still convinced that for thoroughness and workmanship British goods have nothing to fear from American competition, and that our workmen have more leisure in which to enjoy the amenities of life and to take part in civic and national affairs. At any rate, it should be definitely recognized that every increase in the speed and strain of industrial effort demands a corresponding improvement in the workman's standard of living, which would be made possible by a higher rate of remuneration.

THE UNIVERSITY SETTLEMENT AT BELLEVILLE. — "Le Musée Social" devotes the eleventh of its monographs on economic subjects to an account of "La Fondation Universitaire de Belleville," written by M. Jacques Bardoux. An article on this institution appeared in the last October number of the *Economic Review*, and M. Bardoux's Report enables us to watch the fortunes of a social experiment which should awake at once our sympathy and our curiosity. Generally speaking, the last year has been one of progress, though M. Bardoux does not seek to conceal the failures or doubtful successes which have been experienced in some departments of its activity. The financial position is far from satisfactory. Charity has done far too much, while the members for whom the institution was established have done far too little. Social experiments in their early days require financial assistance, just as new businesses require capital and new industries protection; but the real test of success is the financial self-sufficiency of such an enterprise, which would afford ample evidence that the supply has created a demand, and that the beneficiaries are conscious of the advantages they are receiving.

The additions to the membership have been considerable and quite satisfactory. The library has only been hampered by insufficiency of books, and the readers pay a due regard to the claims of serious literature. Classes wonderful in the diversity of the subjects which they cover have been held, and on the average have been fairly well attended; but the value, to take a single instance, of thirty-nine lectures on art, which cover the whole range of artistic development, from the early days of Egyptian art to the close of the eighteenth century, is probably impaired by the excessive extent of the field traversed. This expansiveness is, however, due to the demands of the audience, and not to the wish of the lecturers, and could not be repressed without a sacrifice of support. The Parisian workman continues to show a strange interest in philosophy, which is due perhaps to the union of a powerful intelligence with a lack of knowledge. The workmen care little for history and nothing for literature, and their intellectual sympathies are arrested either by matters which concern them practically, such as questions of social economics, or by abstract questions, on which intelligence has not to shrink abashed before superior knowledge. But, on the whole, though its functions are not yet definitely settled, it is safe to anticipate a useful and prosperous future for an institution which has such fine ideals, so excellent an organization, and so devoted a band of workers.

O. RYSDEN.

**THE LACK OF EMPLOYMENT IN LONDON.**<sup>1</sup>—The urgency of this question becomes more apparent with each recurrence of the industrial conditions which force it into public notice. We are, therefore, under an obligation to the London County Council for its enterprise in organizing two conferences for the serious consideration of this chronic problem, and, in particular, for the final Report of the inquiry which has now been published. At the first meeting a committee of fifteen was appointed to consider the various proposals which had been laid before the Conference, and to present a report on the whole subject. At the second meeting the Report of the Committee, signed by Mr. John Burns, M.P., and the Rev. Canon C. E. Escreet, as chairman and vice-chairman of the committee, was discussed and adopted. The Report gives an admirably clear and concise account of the main aspects of the problem, and of the various methods and agencies which have been suggested for dealing with it. The general conclusions of the Conference are summarized in the following paragraphs :—

“ Want of employment depends upon two main causes—fluctuations of trade, and fluctuations of individual character. The former lie for the most part beyond the control of society as at present constituted. Some of the compensatory arrangements that may be made by public or private employers have been sketched in sect. 6. But the chief means of meeting them must lie in the power of the workers themselves to provide against seasonal and cyclical disturbances of industry by means of trade unionism, co-operation, and other means for increasing wages, and the encouragement of thrift. Where these fail on an extensive scale ‘exceptional distress’ may be said to exist. If the organization sketched in sect. 23 were efficiently at work, such a condition of things would be foreseen by the Central Labour Department, upon whose advice as to the probable permanence of the decline, local action would largely depend. If the distress were temporary and acute, relief works, carefully planned beforehand, to meet the special needs of the trade or locality, might be undertaken under the safeguards suggested in sect. 6. If the decline were likely to be permanent in a trade or district, relief works would be useless. Such a situation would make large demands on the judgment, ingenuity, and resource, not only of the central authority, but of the local authority and other local bodies. It could not in any case be adequately met without the co-operation of several of the agencies mentioned in sect. 4.

<sup>1</sup> *Minutes of the Proceedings of the Conference of Representatives of Administrative Authorities in London*, held on April 3, 1903. [28 pp. Fol. 6d. King. London, 1903.]

"The would-be workers, whose lack of employment results from irregularity or decline of trade, are comparatively easy to deal with. The chief difficulty arises in connexion with those who are unemployed owing to irregularity or decline, not of trade, but of personal character. They are unemployable, and this initial question confronts us in their case as in that of the class we have just dealt with. Is it a permanent decline, or may it be regarded as temporary and conditional? In other words, is there a hopeless lack of character, or can character be restored? Initially, again, the first rough ascertainment of this class must belong to the organization sketched in sect. 23. When ascertained, this class, divided into apparently hopeless and possibly hopeful cases, needs to be dealt with by two entirely different sets of agencies—the hopeless by means of the poor law and asylum boards, the hopeful by personal friendship, religious influences, co-operative charity, and labour training. There is no doubt that much that passes as missionary or charitable enterprise, so far from removing, tends rather to perpetuate and reinforce, the unemployable class. A board of charities, with powers analogous in some respects to those of the Board of Trade and the Local Government Board, might do much to clear the way for the right treatment of the unemployable as of many other classes of persons in distress.

"In considering a question of the nature of that relating to the unemployed, it must be borne in mind that no action that can be taken can have to any great extent immediate results, and it is of great importance to obviate the necessity of undertaking in a hurry schemes for affording relief by putting the question aside until it becomes acute. On all accounts, therefore, it is highly desirable that the matter should be looked into at once, so that in the event of any further exceptional distress arising, anything like 'panic legislation' may be avoided. The matter is probably one which will command the sympathetic attention of all parties, inasmuch as the difficulties with which a large portion of the industrial community has to contend are very great, and it is certain that if anything could be done to afford the workers assistance in the direction which they desire, the community at large will welcome such action.

"It is only at times like the present that the subject of the unemployed is generally considered, and then the aid of the local authorities is invoked to meet sudden emergencies. Aid thus demanded and thus given is apt to be, not useful, but even pernicious, in the long run, for the subject is one which needs much consideration. It is one of the most serious of public economics, and the effect of any action taken must be far reaching. What, therefore, is needed, is a

law which shall constitute the question of the unemployed one of the matters which local authorities must consider, and under proper restrictions and conditions may take steps to put their conclusions into practice. By this means a continuous and admitted policy would be possible, and there would be no danger of the country or localities suffering from 'panic administration.'"

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

THE paper called *Municipal Corporations (Reproductive Undertakings)* (Commons Paper, 1902, No. 398, fol., 147 pp., 1s. 3d.) gives, for the four years ending March 31, 1902, the same particulars as were given for the five years ending March 31, 1898, in the paper (No. 88 of 1899) commonly known as "Fowler's Return," and noticed in this *Review* for April, 1899 (pp. 253, 254). It also contains some additional information. In column 9 it gives the amounts paid to the department (*e.g.* waterworks) in question by other departments (*e.g.* the sanitary department) for products (*e.g.* water for street watering). Columns 14 and 15 give interest and repayments of principal separately, instead of combining them in one total like column 12 of the old Return. Columns 18 and 19 give the net profits and losses, and column 21 gives the amount, if any, of the payment towards general expenses made by the undertaking. The last of these additional columns is of very little real importance; from the fact that it is generally filled by a dash, the anti-municipal tradist will doubtless conclude that the undertakings are putting the municipality to considerable expense for office room and general superintendence, but this is by no means necessarily or usually true. Take, for example, the Oxford waterworks. This undertaking appears as contributing nothing to general expenses. But, as a matter of fact, it pays a rent for its office in the town hall and one-third of the whole of the city engineer's salary, these charges being, of course, included in the working expenses of the undertaking. From the two payments the city draws quite enough advantage to compensate for the very trifling expense unaccounted for in the town clerk's office.

Nor should very much importance be attached to column 9, giving the amounts paid by other departments. Corporations, feeling that these are payments merely from one pocket to another, do not trouble much about making them correct, and keeping them up to date. They are, on the whole, very much below the prices which would be paid to companies performing the same work, partly because rather out of date, and partly because the lower such charges can be put, the less

will be the income-tax assessment of the undertaking. Consequently, in any comparison between municipal and private enterprise, it would be necessary to add considerably to the £110,112 paid by municipalities for water, to the £337,745 paid for gas, and the £218,360 paid for electricity.

But the other additional columns were badly wanted, and their inclusion makes the present Return of much more value than its predecessor.

The earlier motion asked for returns of the "water, gas, tramway, electric lighting, and other reproductive undertakings carried on by municipal boroughs," but Sir Henry Fowler furnished no definition of "other reproductive undertakings." The Local Government Board got together figures for markets, "baths, etc.," cemeteries, working-class dwellings, "piers, quays, etc.," and "miscellaneous" undertakings, and remarked, "There are other undertakings carried on by town councils, *e.g.* sewage disposal works, allotments, slaughter-houses, public libraries, harbours, etc., from which revenue is derived, which do not appear in this Return, as such undertakings have not been considered to be of the kind contemplated by the order of the House." The new Return says that "as there was uncertainty on the part of the town clerks of some boroughs as to what undertakings besides water, gas, tramway, and electric lighting undertakings should be included in the return, the town clerks were asked, for the purposes of the present return, to furnish particulars relating to markets, baths, burial grounds, working-class dwellings, piers and quays and harbours in addition to those above mentioned." The new Return contains also "other reproductive undertakings," namely, bridges at Scarborough and Plymouth, canals at Exeter and York, cold stores at Burnley, conditioning house at Bradford, crematorium at Hull: estates, including race-course at Doncaster; ferries at Saltash, Birkenhead, Middlesbrough, and Sunderland; marine lakes at Southport; parade and property at Bridlington; Pavilion estate at Brighton, and Spa concert-rooms at Harrogate.

Now, why these particular things should be chosen as "reproductive," and all the other departments of municipal activity excluded, either by Sir Henry Fowler, the Local Government Board, or the contemplation of the order of the House, it is exceedingly difficult to say. In the ordinary sense of the word all well-directed municipal activity is reproductive of some return or advantage. Doubtless, however, Sir Henry Fowler meant to confine the term "reproductive undertakings" to those undertakings which, by means of charges levied in connexion with the services rendered by them, bring in a substantial

money return to the municipal exchequer. But this, as the Local Government Board point out in the passage quoted above, is a very large class, and includes many things besides those in the Return.

Here we see the advantage, pointed out by Sidgwick, of seeking for a definition. The rash reader is certain at this point to suggest that the reproductive undertakings meant must be those of which the whole expenses are defrayed by the special charges imposed in connexion with the services rendered by them. But this suggestion is clearly quite useless, since it will, for example, exclude more than one-third of the waterworks and nearly half the electricity-works. The next suggestion will be that only those classes of undertakings which, taken in the aggregate, bring in money returns sufficient to pay expenses should be considered as reproductive. This suggestion is also useless, since it will also rule out the electricity-works. The only conclusion seems to be that, if we are to divide municipal undertakings into reproductive and non-reproductive, we must mean by reproductive undertakings those which are commonly expected to pay the whole of their own expenses. This definition would certainly exclude baths and washhouses and cemeteries, and would make the position of working class dwellings and allotments somewhat doubtful.

The exclusion of baths and burial grounds from the return would be a small matter in regard to capital and income, but it would raise the total net profit from £378,281 to £567,017. It is best perhaps to treat each class of undertaking separately, rather than to trouble much about a total which may be so much affected by legitimate doubt as to what should be included in it.

The 193 water undertakings of the boroughs have involved the borrowing of 56 millions, of which 8½ millions, or rather less than one-seventh, had been paid off, or counterbalanced by invested sinking funds, at March 31, 1902. In a few cases the rates of particular boroughs are very considerably affected by the existence of the municipal water undertaking. The waterworks of Pembroke, apparently because incomplete, cost the ratepayers the handsome amount of 1s. 7½d in the pound. The Brackley works cost 1s. 5½d., while Great Torrington had to pay 1s. 2d., Pwlheli 1s. 0½d., and Bridgnorth and Ryde 1s. each. The ratepayers of Darlington and Abergavenny, however, profited to the extent of 9½d., those of Aberystwith 8½d., Carlisle 7d., Barrow 6½d., Barnsley 6d. The Return does not add gains and losses separately, as it ought, but the total of contributions to rates appears to be about £120,000, and the total of drafts upon the rates about £81,000, giving a balance of nearly £40,000 in favour of contributions. (The Return gives the total net

profit as £90,128, but this includes sums carried forward or in some other way practically retained for the benefit of the undertaking.) The number of water undertakings which are more or less a charge upon the rates slightly exceeds that of those which contributed in relief of rates, but nearly a third of the whole number neither relieved nor burdened the rates, taking the whole four years together. The principle of charging for water most generally adopted is clearly just to make ends meet. There is little reason for supposing that contributions to the rates mean good management, and drafts upon the rates bad management. In some places the supply of water is an easy and inexpensive matter, in others it is exceedingly costly; in some places, such as Hull, Bath, and Oxford, the water supply has been in the hands of the Corporation for centuries, while in others it has been bought at compensation price from a company in quite recent times. There is no guarantee whatever that the charges for water fit these various circumstances so exactly that a surplus or deficit will show good or bad management. Though, as has just been observed, the policy ordinarily adopted is that of endeavouring just to make ends meet, the principle is not universally accepted. The 1s. in the pound deficits at Ryde and Bridgnorth are, as the return itself informs us, due to the fact that the corporations of those places are content if the charges for water pay the working expenses. The boroughs of Buckingham and Brackley, with the clearness of vision in such matters which naturally distinguishes very small communities, go a step further, and charge nothing at all for domestic supply within their own boundaries. "What," they doubtless ask, "is the use of levying a separate rate for domestic water?"—and it obviously is no use unless it falls on different people, or on the same people in different proportions from the ordinary rates. In many places the water rate is a regressive rate, *i.e.* is levied at more pence in the pound from houses of low value than from houses of high value, and in these the substitution of a uniform rate, such as the ordinary general district rate, would, of course, relieve the smaller houses at the expense of the larger. Where the water rate is already, as it ought to be everywhere, a uniform rate, the substitution of a deficit for a surplus on the water undertaking would simply mean that the properties at present not chargeable with water rate would have to pay, and to that extent relieve the rest. This would doubtless be undesirable in some conditions, just as it is at present undesirable in some conditions that property which gets no direct benefit from expenditure on sewers has to pay the rate levied to defray that expenditure.

The waterworks municipalized before 1870, or thereabouts, mostly

help to relieve the rates, while those municipalized after that date mostly form a burden upon them. Many explanations of this remarkable fact may be suggested, and it does not seem easy to say which is the true explanation. Is it that the prices paid for waterworks municipalized since 1870 have for some reason or other been higher? Or is it that the boroughs which municipalized later are more incompetent? Or is it simply that the longer a waterworks has been in the hands of the municipality the more likely is it to be profitable, owing, of course, chiefly to the fact that more of the growth of the business has occurred since the purchase of the goodwill?

Coming to the next item in the Return—gasworks,—we find ourselves in a different field; for gas, unlike domestic water, is not used by everybody, and is commonly sold by quantity. It would be obviously uneconomical to supply gas like water, in unlimited quantities, and charge the user with a payment calculated on the value of his house. Consequently we find that there seems to be universal agreement that the supply of gas by the corporation should be entirely paid for by charges on the gas consumers, and most corporations appear to think that the ratepayers may reasonably expect a moderate profit on the transaction. Consequently out of about a hundred gasworks, we find about sixty contributing to the relief of rates, and only six making drafts upon rates, those six being the not very important boroughs of Wilton, Wenlock, Loughborough, Conway, Aberavon, and Neath. The town clerk of Wilton appends a note to say that the price of gas has been increased, and loss will in future be prevented; Wenlock's municipal gasworks only date from June, 1900, and the deficit is therefore only for a year and a half, and only amounts to £107; Loughborough's gasworks date is July, 1900, and the deficit is only £388; Conway's deficit is only £50 per annum, so that Aberavon and Neath seem to be the only serious cases. Against the £1698 drawn from rates by the six undertakings, we have to set the substantial sum of £325,000 contributed to relief of rates by the sixty contributing boroughs. (A few of the boroughs are stated to have had surpluses which were "partly" contributed to, and deficits "partly" drawn from rates; in default of any data, this calculation is based on the assumption that these amounts were equally divided.) A few of the contributions are considerable—Darlington again heading the list with 10*d.* in the pound; Blackpool, Bolton, Stoke-on-Trent, and Leicester received between 7*d.* and 8*d.* each; but the bulk are of moderate amount, both in relation to the size of the gas undertaking and in relation to the rateable value.

For gasworks the corporations had borrowed altogether £22,757,422,

but of this nearly a quarter had been paid off or counterbalanced by accumulated sinking funds in March, 1902. The 102 electricity-works are, of course, much younger than the gasworks, and consequently we find that, of a borrowed capital of £11,764,723, only £970,600 had been paid off or counterbalanced by investment in 1902. The aspect of affairs here is, at present at any rate, not nearly so favourable for the ratepayers as opposed to the consumers of the municipal product. No less than 46 of the undertakings drew something from the rates, and only 20 contributed to the relief of rates. The drafts amounted to about £52,000, and the contributions only to about £21,000, so that on balance the ratepayers appear to have subsidized the consumption of electricity by some £30,000 per annum. But this is not quite true, since a majority of the undertakings which made drafts upon the rates were less than four years old in March, 1902, and have therefore only one, two, or three years to answer for. It seems probable that, after the stage of infancy is past, these undertakings will for the most part pay their way. It is noticeable that the average age of the contributing undertakings was about  $7\frac{1}{2}$  years; that of the undertakings which neither contributed to the rates nor drew upon them was about 5 years, and that of the undertakings with deficits drawn from the rates was about  $4\frac{1}{2}$  years.

Municipal working of tramways is an even more recent phenomenon than municipal electric lighting, and the consequence is that the tramway figures are even more disturbed by the presence of undertakings in a state of transition. Probably not one of the twenty-nine tramways worked by the corporations was in what may be described as a normal state during the whole of the four years ending in March, 1902, and it is therefore scarcely worth while quoting the average for those years.

Markets, which come next in the Return, are somewhat difficult to deal with. The fact that a borough has receipts from markets does not prove that it is working a reproductive undertaking; there is no undertaking or enterprise in collecting ancient tolls on things brought into an open market-place. Some of these appear to be excluded from the Return, since the number of markets included in the summary is only 228, whereas the *Annual Local Taxation Returns* for 1900-1 attribute receipts from markets to 253 boroughs. But a great many are certainly included, and even where capital has been invested and a reproductive undertaking created, there is still often a considerable revenue derived from the old tolls, in return for which no service is rendered. Consequently it is not surprising to find that markets appear very profitable if the net return is reckoned on the outstanding

capital. The capital outstanding on March 31, 1902, was £3,926,671 ; and the net profit, after paying £126,120 of interest and reducing the debt by £74,780, was, according to the Return, £83,782, or over 2 per cent., after providing for interest and amortization. Profits from markets seem to be devoted to relief of rates with less hesitation than profits from the undertakings hitherto dealt with. The sum so devoted is the difference between the gains of over 70 per cent. of the markets, amounting to about £110,000, and the losses of the rest amounting to about £20,000.

Baths and washhouses and burial grounds follow next—institutions which are never established with the view of making a profit in aid of rates, and are seldom expected to pay more than a considerable fraction of their expenses. It is not surprising to find that £188,736, about two-fifths of their annual average cost (including interest and sinking fund) is not met by the receipts. “Working-class dwellings,” a perfectly useless heading when no definition is provided, show about the same proportionate loss—£26,978 out of a total cost of £67,008. Forty-three harbour and dock undertakings are said to lose £77,724 ; of this amount £25,737 is incurred in Bristol, and £36,000 in Preston. The Bristol loss is sometimes said to be counterbalanced by certain town dues, which do not technically belong to the dock undertaking, but which are in practice dependent on its existence. The Return, however, knows nothing of this. The arbitrarily selected sixteen “other reproductive undertakings” are credited with a profit of £15,373, almost entirely due to Doncaster race-course.

Any serious student of municipal enterprise will do well to let this Return alone, as regards gasworks and tramways, and use instead of it the annual returns—*Gas Undertakings* (House of Commons Paper, 1902, No. 330, fol., 93 pp., 9d.), which relates to “gas undertakings in the United Kingdom other than those of local authorities for the year ended the 31st day of December, 1901 ;” *Gas Undertakings (Local Authorities)* (1902, No. 331, fol., 55 pp., 5½d.) for the year 1901–2 ; and *Tramways (Street and Road)* (1902, No. 307, fol., 55 pp., 5½d.) for the year 1901–2. These contain considerably more information than “Fowler’s Return,” arranged in the Board of Trade’s worst style. It is high time they were remodelled and, so far as the municipal undertakings are concerned, brought into proper relationship with the *Annual Local Taxation Returns*. From the gasworks Returns we may gather that municipal gas is cheaper than company gas, but that this may be partly or, according to taste, wholly or more than accounted for, by the fact that, while half the company works, and more than half their gas, are south of a line drawn from the Bristol Channel to

the Wash, only a very small fraction of the municipal work is done south of that line; consequently it may well be supposed that the municipalities are better situated in regard to their coal supply. The most remarkable fact brought out in the tramway Return is that, out of 1484 miles in the United Kingdom, only 871 were, at the beginning of 1902, worked by electricity. Of course, however, the importance of the electrically worked lines is very much greater than is suggested by these figures, in which a mile of double line is treated as equal to a mile of single line.

The *Summary Tables* (Cd. 1523, fol., 310 pp., 2s. 6d.) of the 1901 Census have been published before the Final Report, instead of along with it, as has been usual in previous censuses. The census office has been by no means liberal in performing addition, in working out percentages, and in tables containing the comparative figures of previous censuses. Consequently the commentator's task is arduous and liable to error unless his arithmetical powers are altogether abnormal. If, for example, we desire to compare the population in each different quinquennia of life with that of 1891, we have to add together three sets of figures to get the total between 10 and 15, five sets to get the total between 15 and 20, and two sets to get the total between 20 and 25: then we have to fetch the 1891 census, and work out the percentages. Having performed these processes we get the following result:—

				1891.		1901.		Per cent. increase.	
	Under 5	..	..	3,553,490	..	3,716,708	..	..	4.6
	5 and under 10	..	..	3,395,178	..	3,487,291	..	..	2.7
10	" 15	..	..	3,223,567	..	3,341,740	..	..	3.7
15	" 20	..	..	2,950,865	..	3,246,143	..	..	10.0
20	" 25	..	..	2,646,412	..	3,120,922	..	..	17.9
25	" 30	..	..	2,350,259	..	2,824,509	..	..	20.2
30	" 35	..	..	2,027,469	..	2,431,331	..	..	19.9
35	" 40	..	..	1,781,790	..	2,145,333	..	..	20.4
40	" 45	..	..	1,547,016	..	1,850,622	..	..	19.6
45	" 50	..	..	1,336,842	..	1,573,188	..	..	17.7
50	" 55	..	..	1,160,032	..	1,329,003	..	..	14.6
55	" 60	..	..	894,124	..	1,052,577	..	..	19.0
60	" 65	..	..	772,879	..	890,673	..	..	15.2
65	" 70	..	..	571,948	..	629,673	..	..	10.1
70	" 75	..	..	417,914	..	446,338	..	..	6.8
75	" 80	..	..	233,333	..	264,480	..	..	13.3
80	" 85	..	..	105,681	..	123,768	..	..	21.8
85	" 90	..	..	34,541	..	38,961	..	..	12.8
90	" 95	..	..	7,831	..	8,202	..	..	4.7
95	" 100	..	..	1,208	..	1,190	..	..	-1.5
100 and upwards	..	..	..	146	..	146	..	..	0.0

The smallness of the increase of the children compared with that of

the people in the prime of life is striking. That the people in the prime of life have increased so much is of course chiefly due to the immense drop in emigration. It would have been greater still if a large number of the male population had not been absent on military service in South Africa. It is also swelled by the foreign immigration. Foreigners are said to have increased from 198,113 to 247,758, and British subjects born abroad from 34,895 to 91,678; but, as will doubtless be explained in the Final Report, many of the British subjects born abroad would have been reckoned as foreigners if the 1901 schedule had been the same as that of 1891, so that it is better to compare the totals of persons born abroad, namely 233,008 in 1891, and 339,436 in 1901. There is little reason to suppose any real enormous increase in the number of British subjects born abroad, so that we may put the increase of foreigners at nearly 100,000. The fact that the children have increased so little although the possible fathers and mothers have increased so much is, of course, not due to increase of mortality but to decrease of natality.

Another series of tables which might furnish food for reflection is that which gives the number of persons inhabiting tenements of one, two, three, and four rooms. Here, again, the commentator is left to do his own multiplication, addition, and extraction of percentages. If these operations can be trusted, the rooms in the small tenements have increased by 10·5 per cent., while the persons inhabiting them have decreased nearly 0·9 per cent. The people who live in tenements of more than four rooms have increased 22·9 per cent. The different classes of persons in the tenements of one to four rooms have increased and decreased as follows :—

Those who live in tenements which

have, per room,—

Less than 1 person	. . .	have increased 15·0 per cent.
Exactly 1	" . . .	" 11·0 "
Over 1	" up to 1½	" 4·9 "
" 1½ persons	" 2	have decreased 6·1 "
" 2	" 3	" 13·9 "
" 3	" 4	" 27·0 "
" 4	" 5	" 38·0 "
" 5	" 6	" 48·0 "
" 6	" . . .	" 60·0 "

This result is exactly what would be expected by any one who has looked out of a railway-carriage window and seen the miles of five-roomed houses growing up everywhere, but it will surprise those who shut their eyes to everything but newspapers.

EDWIN CANNAN.

## REVIEWS.

**LIFE AND LABOUR OF THE PEOPLE IN LONDON.** Third Series : Religious Influences. By CHARLES BOOTH. Assisted by JESSE ARGYLL, ERNEST AVES, GEO. E. ARKELL, ARTHUR L. BAXTER, GEORGE H. DUCKWORTH. [Vol. i., Outer Ring North, 252 pp. Vol. ii., Inner Ring North, 246 pp. Vol. iii., City and West End, 223 pp. Vol. iv., South-East and South-West, 230 pp. Vol. v., Inner South London, 203 pp. Vol. vi., Outer South London, 273 pp. Vol. vii., Summary, 432 pp. 8vo. 5s. net per volume, or 30s. for the series. Macmillan. London, 1902.]

Mr. Booth's great task, which he undertook some fifteen years ago on his own responsibility and at his own charges, is approaching completion. Following on the four volumes which classified the people of London according to the degrees of poverty or comfort, and the five volumes which dealt with the whole population over again from the industrial point of view as organized in trades and professions, we now have seven volumes which describe the social and religious influences—including such factors as local government and police, as well as every form of philanthropic enterprise—which have played their part in bringing about the present state of things. It is needless to say that these later volumes are all marked by those sterling qualities of scientific thoroughness and strict impartiality which we have been led to expect and always find in Mr. Booth's work. Future generations will be under no less an obligation than our own to express their gratitude to Mr. Booth for his extraordinarily valuable services.

No doubt, it would be easy enough to cavil at some of Mr. Booth's statements. It might be suggested, for example, that this or that particular church has not received adequate treatment, or that certain religious institutions, like the sisterhoods, cannot be fully appreciated by any observer from the outside. And, of course, any one is free to dissent from Mr. Booth's inferences from the facts as given, or to doubt some of his predictions as to the ultimate force and value of peculiar religious doctrines or methods. To all such criticism it is a sufficient reply that Mr. Booth lays no claim to omniscience or infallibility. He is quite aware of the necessary limitations of the work undertaken by

himself and his collaborators. "Spiritual influences," he says, "do not lend themselves readily to statistical treatment, and we have not attempted it. The subject is one in which figures may easily be pressed too far, and if trusted too much are likely to become more than usually dangerous" (i. 7). Their main object has been "to obtain truthful and trustworthy impressions," and then to transmit them to their readers. (For my part, I am only inclined to express one small regret. It is difficult to discover any good reason why Mr. Booth should have been moved to change the style of binding for the second time. The first change made was altogether desirable, and a distinct improvement. But surely the dainty style of binding which has been adopted for these later volumes is hardly appropriate to their serious and scientific character.)

However, after making every allowance for the possibility of occasional errors in such an enormous array of statistical information (the investigators remained for weeks or even months in each district, and wrote out reports of nearly eighteen hundred personal interviews), I am convinced that no evidence will be forthcoming to shake the substantial accuracy of the picture of London life which Mr. Booth has drawn. On the one hand, as the outcome of the earlier inquiries with regard to the relation between wages and social conditions, it appeared that "the numbers of the crowded and the numbers of the low-paid were much the same; that industrial capacity and higher and more regular wages lead to better housing, and that order, cleanliness, and decency do almost invariably follow in their train; or, reversing this, it may equally be said that decency, cleanliness, and order lead to better housing, to more regular employment, and to the higher wages which industrial capacity commands" (i. 4). And, on the other hand, the more recent investigation of the social and religious forces in London shows a corresponding connexion between poverty and the absence of any acknowledged allegiance to some definite form of religious faith and practice. "The map seems to give the key to the situation, for the colours show in general outline the religious, no less than the social, features of the district. Where the streets are red, we find a vigorous middle-class religious development combined with active social life. Where the streets are pink, there is, as regards religion, a comparative blank. Where the colour is blue we have the missions, and step by step, as it deepens to black, the more hopeless becomes the task. From these broad conclusions there is no escape" (i. 149).

Now, it must frankly be admitted that no amount of explanation will avail to lessen the shock of such conclusions; from any and every point of view they cannot but represent a grave and anxious problem.

It is needless to ask how far the present situation is the natural outcome of slackness and negligence in the past, and, of course, it is a poor consolation to reflect that things might have been very much worse. But it may justly be urged that a thoughtful study of these volumes need not land us in a hopeless state of pessimistic despair. On the contrary, we are assured that the forces which make for good living and social reform have shown a remarkable development of vitality and energy in recent years. There are thousands of earnest men and women, inspired by religious motives, and with huge sums of money at their disposal for charitable purposes, zealously engaged in every kind of social and religious work for the benefit of the poorer classes. For example, of five parishes in North-West London, we are told that the congregations are "tremendously keen and in earnest; all are communicants, and all are workers for the church as well as worshippers in it. With slight differences in degree, the same description applies to all: 'congregations small, but parochial; inner circle red hot'" (i. 175). Again, in another district, it is reported that "the parishes are now all well worked," which could not have been said some years ago. Mr. Booth is aware of scandalous cases of idleness, or worse, among the clergy, but, on the whole, he is convinced that, "against these instances may fairly be set the far more frequent case of those who, though worn out, and in spite of constant breakdown in health, stick to their work. In no field of duty is greater devotion shown. The whole conception of the duties of the clergy has changed and widened in the course of the last century" (vii. 27).

Moreover, it is evident that mere attendance at church or chapel by itself is no adequate test of the general standard of moral conduct. "The vicar of a thoroughly working-class parish is ready to admit that, of those who do not attend church at all, by far the larger proportion are as decent and respectable as those who do" (i. 83). And in the sense that "men are often more religious than is known," the inhabitants of London may still be called "distinctly Christian." On the whole, "among the working classes there is less hostility to, and perhaps even less criticism of the Churches than in the past" (vii. 424), and in certain districts there has been a decided improvement in the general moral tone. "In spite of the many difficulties connected with social deterioration, and in spite of the failure of religion to cope with them, there has undoubtedly been improvement . . . due to a combination of causes—religious, educational, and administrative,—the main factor, a resultant of these, being 'the dawn of hope for the working man, who has begun to realize that he has ample opportunities to improve his position'" (i. 155).

However, the dismal fact still remains that great masses of the people of London have drifted away from all forms of religious communion, owing, in part, to what has become, in Mr. Booth's opinion, "an incompatibility of moral temper." The working classes, we are told, have a very exacting conception of the ethical obligations involved in the profession of religion. "They expect a religious man to make his life square with his opinions" (i. 89); but as they are not prepared to forego an easy-going mode of life, and to submit to discipline, they hold themselves aloof.

This recognition of the practical character of the Christian religion is entirely sound and healthy, and serves to emphasize the severe but just criticism which Mr. Booth has to bring against some of the methods adopted by the various religious bodies. They have been far too much inclined to cheapen religion; they have often failed to make large demands for self-sacrifice and personal service; they have even competed with one another in bribery of a most demoralizing kind. "It is dole *versus* dole," writes Mr. Booth, "and treat *versus* treat, a contest openly admitted on both sides; while the people, taking the gifts with either hand, explain how careful they must be, when attending a service, that the other side knows nothing of it. This atrocious system, based on the delusive claim of each party to a monopoly of religious truth, is injurious to both, as well as to the recipients of their demoralizing bounties" (ii. 95). And Mr. Booth will not allow us to assume that any excuse for indiscriminate charity may be found even in the most poverty-stricken districts. "The suggestion that the working classes cannot afford to share in the expenses of organized religion, is hardly true even of the poorest. Among the Roman Catholics every one pays something. For that which is valued the people will find the means to pay; and, on the other hand, they rarely do value that for which they pay nothing. . . . Nor are the mass of the people of London poor in the sense of having no margin. They have always money to spare for the pleasures or purposes in which they take an interest" (i. 88). The remedy for this evil state of affairs probably lies in making a clear distinction between the relief of poverty as such, apart from any other purpose, and the direct almsgiving of the religious bodies. On the one hand, the Churches might confine their special work to their own people, who stand in a definite relation to them as members or adherents of a particular religious organization; and then, on the other hand, they should support, both by personal service and by the contribution of funds, independent charitable institutions, whether public or private, for dealing with the needs and necessities of the poor in general.

Again, it is abundantly evident that the clergy are attempting far too much. "No body of men," says Mr. Booth, "could possibly succeed in performing the strangely varied functions expected of them; to detect abuses, and instruct in the principles of sanitation; to study political economy, and advise in trade difficulties and disputes between masters and men; to teach principles of thrift and household management, and to assist in finding employment for young people; to do duty as trustees or impressarios in providing art and amusement, guaranteed to be pure and wholesome, and, in fact, to be always prepared with a panacea ready made to fit any emergency" (vii. 28). Where they have learnt how to limit both the number and the range of their manifold activities, and to claim the practical assistance of the laity, they have met with encouraging success. Again and again we hear of small bands of heroic workers, mostly drawn from the lower-middle and working classes. In particular, the clergy should endeavour to make the family the unit of religious organization. The religious life of the Jews persists even in London because "it is a family religion, a matter of birth and heritage, even more than of belief" (ii. 7). And, again, "It is to social usage that the upper classes trust, and it is in the union of home and church that we find the strength of the Nonconformists as regards the religious guidance of their children" (vii. 404).

It is tempting to refer to many other urgent and practical questions raised by Mr. Booth, such as the use of the fifty-four City churches, the effect of insanitary housing upon religious enterprise, or the problems of local government. But enough has been said to illustrate the great value of his work, and the extreme importance of the whole subject under discussion.

J. CARTER.

**DEMOCRACY AND THE ORGANIZATION OF POLITICAL PARTIES.** By M. OSTROGORSKI. Translated from the French by FREDERICK CLARKE, M.A. With a Preface by the RIGHT HON. JAMES BRYCE, M.P. [2 vols. lviii., 627, and xlii., 793 pp. 8vo. 25s. net. Macmillan. London, 1902.]

A frank and unstinted admission that M. Ostrogorski's volumes are absolutely indispensable to the student of politics should preface any criticisms a reviewer may feel bound to pass upon some of his conclusions. Mr. Bryce, in his sympathetic appreciation, observes that in 1883, when he began to study, and was seeking to portray the institutions of the United States, he could not find any account of the very remarkable and well-compacted scheme of organization which had

been at work there for forty or fifty years ; and he noted that among even the best educated men there were few who had mastered its details. Attention has hitherto, as M. Ostrogorski justly complains, been too exclusively directed to the study of political forms, and the very idea of political forces as distinct from political forms has not been sufficiently clear to men's minds. And yet the methods of political organization, and the psychical forces which, by them disciplined or corrupted, determine in the last resort the action and value of all political institutions, can least of all in a popular Government be neglected with impunity. A study of social and political methods and forces, a study of social and political psychology, based on careful observation, is at once the postulate and the *desideratum* of any real progress in the science of government. To this study, or to a portion of it, Mr. Ostrogorski has addressed himself. Rightly or wrongly holding that the methods and principles of democracy necessarily culminate in organized parties and party government, he has elected to treat England and the United States as the most politically advanced among nations, and therefore as typical of democratic development. That there are signs that this self-imposed limitation of the field of view may have, in some measure, detracted from the oecumenical value of his conclusions, that it may be responsible for a distribution of emphasis which a wider survey would have corrected, can hardly be denied ; for all that, the limitation was wise. Even so the task was a stupendous one. The material was neither collected nor sifted, nor did the facts lie easily to hand. Beneath the dignity of the historian and the philosopher, they had to be laboriously disinterred from the files of old newspapers, and illuminated by personal observation and inquiry, both in England and America. And to the unflagging ardour of the collector and the microscopic attention of the trained observer, M. Ostrogorski has brought a rare power of critical imagination and of philosophical detachment. In the fifteen years he has devoted to it, he has done his work thoroughly ; he has written the standard history of "the Machine" in Great Britain and the United States.

To this history neither epitome nor citation could do justice. M. Ostrogorski's studies of the Caucus and the Primrose League, of the Convention, the Political Ring, and the Boss must be studied to be appreciated. But his conclusions invite some criticism. He is convinced that the parallel between the course of political growth in England and America is very close indeed. "The study of America has but enabled us to see a little more clearly and a little farther. The essence of the problem awaiting solution turns out to be exactly the same. In fact, the longer experience of American democracy has

only given extraordinary distinctness to the political phenomena and tendencies which we have seen looming in the young democracy of England. What appeared to us in England as a germ, blossoms in the United States, thanks to conditions which are unfortunately too favourable, into a luxurious plant" (ii. 603). Yet the political history of England and the United States has been widely divergent, and party organizations in the two nations are very different things. American democracy, though no arbitrary product, is a very peculiar growth. It has become what it is from the co-operation of many factors, most of which are pointed out by the writer. In the first place, the revered United States constitution itself was really an unworkable instrument—that is to say, only a highly practical people could have made it work at all. Some sort of "machine" had to be devised to restore the necessary *solidarité* between the legislative and executive organs, which the wisdom of the constitution builders had been at such pains to separate. The constitution was intended to translate a faith and a philosophy—or several philosophies—into institutions. Early and crude democratic theory always makes four grand assumptions: (1) that in a democracy the people must *govern*; (2) that the people possess sufficient capacity for government; (3) that the people possess sufficient integrity for government; (4) that the people have sufficient time for government. The prudent authors of the United States constitution, anxious as they were to escape the reproach of enthusiasm and extravagance, were not uninfluenced by these articles of faith. In draughting their scheme of a representative democracy, they assumed, without question, (1) that the people will always choose the best representatives, and that the best representatives will always offer themselves to be chosen; (2) that there is a practically unlimited supply of political capacity always available; (3) that political interest and political education will vary directly with the frequency of elections. History has not warranted these assumptions; they have collided with the characteristic feature of modern life—the division of labour. "Private affairs," an acute critic has remarked, "have assumed an importance as compared to public affairs which our forefathers could never have anticipated. This state of things is causing everywhere a demand for government without trouble or with very little trouble." The evolution of politics in the United States seems, indeed, almost inevitable. The American people, blessed with material advantages which have moved the older nations of Europe to envy and admiration, have, by force of circumstances, acquired a temperament characterized, on the one hand, by a cheery and uncritical political idealism, on the other, by a firm belief in the virtue of commercial methods. The cult

of freedom has inspired the hypertrophy of the elective principle ; the belief in equality is responsible for the persuasion that public opinion doesn't want educating—only "getting out the vote." Even the spoils system has been defended as the corollary of the egalitarian axiom. Failing as yet to recognize that the real business of legislative assemblies is not to *make* laws but to criticize and amend them, discussion in the United States is reduced to a useless minimum, and the devotion of the legislator to his business measured (at least in some State legislatures) by the quantity of legislative output.

But if, as M. Ostrogorski shows abundantly, professionalism is the curse of American politics, it must be maintained that in British politics it has, so far at least, made very little way. Nor does his admirable history of political organization in Great Britain really support any other conclusion. For the upshot of his investigation has really been to show that the Caucus has failed, and why. It has *not* stifled the personality of the representative ; it has *not* conquered the tendency in the British character, which, for good or for evil, persists in denying to formal democracy its logical consequences ; it has *not* imposed its yoke upon the leaders, but, on the contrary, has come to incur the reproach of "officialism ;" it has *not* been remarkably successful in its attempt to substitute for the moral community of aim, on which all healthy party organization rests, a factitious enthusiasm for a machine-made party unity ; the very complaint that the great historical parties are in process of dissolution, is the most convincing testimony to its impotence. It takes, indeed, a great issue to create two parties, organization and tradition to consolidate them, a succession of great and genuine issues to vitalize them. So long as one party represents stagnation and the other movement, or so long as one party represents the interest of one great class of the community and the other of another great class or group of classes, it is natural, if not inevitable, that the parties should be only two, and that the cleavage should be sharp and deep. But since Disraeli educated his followers to jump blind ; since Lord Randolph Churchill piped to the tune of Tory Democracy ; since the Tories borrowed an organization, and, for a creed, paid themselves with phrases, the "stupid party" is no longer the Tory *affiche*, while Liberalism, to a great extent, has replaced faith by calculation. The two great parties are moving on rapidly converging lines. Party government, in the past, whatever its defects, has hallowed a tradition, and secured a leadership. The grand convention of the party system is a tribute to the national demand for continuity of government. It is possible that, in the varieties of untried being through which the British system is destined to pass, the near future

may witness modifications of our party government in response to this growing demand for continuity. But it is not likely that, in Great Britain at least, party government, with its ingrained habits and associations, will fall suddenly away.

This is hardly M. Ostrogorski's opinion. In his view party government and the machine are complementary and inseparable. They stand or fall together. To the argument that some sort of organization is necessary if the present system is to be carried on, he replies that he does not see the necessity of carrying it on. It is his belief that the conventional morality, the formalism of party, which all organization fosters, robs the citizen of independent judgment and the sense of civic responsibility. Seduced by material interest, or a victim to the fatalism of the multitude, he resigns his private political conscience, counts his loyalty for righteousness, and starts with the crowd. Party government, with all its works, must go. This is not the place to discuss the details of the scheme M. Ostrogorski would instal in its place, though it may be permitted to doubt whether it would provide an efficient government, and whether it would really abolish great parties, and smash the machine. But though there may be differing opinions as to the means, there should be none about the end. "Hitherto the victorious struggle which democracy has carried on in the world, has been, and necessarily, a struggle for material liberty; moral liberty, which consists in thinking and acting as free reason dictates, has yet to be achieved by it. It has carried the *habeas corpus* by force, but the decisive battle of democracy will be fought on the *habeas animum*."

W. G. POGSON SMITH.

**PURE SOCIOLOGY: A Treatise on the Origin and Spontaneous Development of Society.** By LESTER F. WARD. [xii., 607 pp. 8vo. 17s. net. Macmillan. New York, 1903.]

Mr. Ward is well known as a pioneer of sociological research in America. He is also a biologist of repute. He, if any one, then, ought to be able to make something of the subject of "pure" sociology, that is, sociology as far as it lends itself to a strictly naturalistic method of treatment. And no doubt he has produced a very readable book. In my humble judgment, however, it is more readable than convincing. For me the argument moves from first to last on a plane that is altogether too transcendent.

Mr. Ward's chapter entitled "Methodology" has the great merit of being written clearly and frankly, but from the point of view of the mere empiricist, it likewise amounts to an open confession that the

foundations of such a sociology as he would build up, rest, not on rock, but on sand. "Before proceeding further," he says, "I will formulate the principle which, as I see it, underlies the proposition that sociology is a true science. It is, that *in the complex sciences the quality of exactness is only perceptible in their higher generalizations.*" This is a different thing from the other truth, that in the complex sciences safe conclusions can only be drawn from wide inductions. In a field so great as that of human society, a wide induction becomes unmanageable. The number of facts to be dealt with is so great that they bewilder the mind. Something must be done besides accumulating facts, and drawing conclusions from them. A mental process of a higher order must be employed." Well, I have to confess that, having read these six hundred pages carefully through, I remain absolutely sceptical as to the possibility of attaining in the present state of our knowledge to a perceptible exactness in any "higher" generalizations with regard to the origin or growth of human society. Some vague analogies and a host of newfangled technical terms would seem to represent the total yield of this *anticipatio naturæ*; for such was Bacon's name for Mr. Ward's "mental process of a higher order."

There is room, I will admit, within science for a certain amount of relatively wild hypothesizing, if thereby weary plodders are cheered on their way. A "property" carrot held in front of the donkey's nose will often serve to make it go. Such I take to be the true justification of the theory of evolution as expounded in Mr. Spencer's *Synthetic Philosophy*. But surely it is not necessary to take each cheering fancy as solid fact, to predicate "perceptible exactness" of it just because it is large and luminous. This is how Mr. Ward writes of the "high" generalization just alluded to: "Not content with the conquest of nature and the subjection of its laws to human uses, man resolved to find out what he was, whence he came, and what was to be his destiny. He proceeded to interrogate nature at all points, and the thousand conflicting and commingled answers that he got, all rolled together, when closely listened to, were found to spell out the talismanic word 'Evolution.'" Note the past tense. Man settled the What, the Whence, and the Whither some time ago, presumably during the last century, since the present work is dedicated "to the Twentieth Century, on the first day of which it was begun." Let us grant, however, Mr. Ward his "evolution" as being a matter of metaphysics, wherein necessary truth is notoriously easy to come at. But what of his generalizations with regard to biological development, which is more or less matter of science? Will he claim "perceptible exactness" for his favourite principle of use-inheritance—not to

mention sexual selection—when half the biological world, to put it mildly, is dead against him?

So too is it, then, with his sociological doctrine proper. For instance, under the head of social statics he seeks to formulate the laws governing the absorption of one race by another. For the facts we are simply referred to Gumpłowicz's *Rassenkampf*, and Ratzenhofer's *Sociologische Erkenntnis*. In short, the facts, though actually most obscure and perplexing—such a subject, for instance, as the formation of caste constituting one of the standing puzzles of anthropology—are taken as well understood. All that remains, therefore, for the pure sociologist is to round the matter off with a supreme generalization. Say “social karyokinesis,” and the inwardness of the process as a coextensive property of organism stands instantly revealed. Or again, in connexion with the topic of social dynamics, we are introduced to “the gynæcocentric theory.” This theory the writer announces to be his very own, giving up much space to the discussion of the grounds on which it rests. Here, then, if anywhere, we might expect to catch the sociologist in his shirt-sleeves, to pass with him beyond the lecture-room into the laboratory. And what do we find? The real strength of the position is made to consist in certain facts of entomology and botany. Directly we come to man, with whom alone we are directly concerned, all is confusion. “Ethnologists have studied the marriage relations of large numbers of tribes, finding, of course, great differences and nearly all gradations from the matriarchal to the patriarchal condition. The literature has become voluminous, and is largely controversial, so that it is difficult for one seeking simply the truth—[rather hard this on the anthropologists! ]—to disengage any clear principles.” Clear principles, however, the sociologist will have at any cost. So we are treated to a drastically final interpretation of such an institution as the Couvade, derived from authorities that, anthropologically speaking, belong to the last generation—Letourneau, for instance, whose latest work (*La Psychologie Ethnique*, Paris, 1901), whilst it dogmatically asserted that the Couvade was a device for bringing home his paternity to the male savage, showed no acquaintance with the work of observers like Spencer and Gillen, or with theories such as those expounded in *The Golden Bough*, or *The Legend of Perseus*.

It is all a question of the spirit in which the sociologist puts forward his conclusions. If he realizes, and does all he can to make others realize, that his are hypotheses superimposed on hypotheses, extremely tentative correlations of empirical laws that are themselves of dubious validity, well and good. Taken in that spirit, Mr. Ward's book is full

of happy thoughts, of bright fancies meet to cheer the student as he struggles along through the slough of matter. But is that the spirit in which these *axiomata maxime generalia* are offered? I do not feel certain that the sociology of the present day distinguishes with sufficient clearness between principles that are indemonstrable, because primary and ultimate, and principles that are indemonstrable, because untrue, or, at any rate, wholly "in the air."

B. R. MARETT.

AGRICULTURE ET LIBRE-ECHANGE DANS LE ROYAUME-UNI. By ALBERT DULAC. [216 pp. 8vo. 4 francs. Larose. Paris, 1903.]

This is a small, sensible, and interesting book on the conditions and results of English agriculture, written from the point of view of a citizen of a protectionist country, anxious to draw lessons for his fellow-citizens from his studies of agriculture under a free trade *régime*. Briefly, the point of the book may be expressed in a few words. English farming suffers heavily from the system of free trade; the soil of England is, on the whole, less naturally fertile than that of France; the burden of taxation of one kind or another falls more heavily on the farmer in England than in France, and the wages he has to pay are higher; the State gives little assistance to agriculture of the kind given in France: yet the English farmer keeps his head above water. There must, therefore, be something remarkable about English farming—something which it would be well for Frenchmen to learn. What is this? The answer lies in the fact that English farming produces on the average half as much again for every acre cultivated as French farming does—to be strictly accurate, about 63 per cent. in the way of crops, and 45 per cent. in the way of live stock,—and pays far more attention to producing only first-rate quality. In respect of animals in particular, it is to England that all countries look for the finest breeds, and though, no doubt, as M. Dulac points out, the continual exportation of pedigree animals to the colonies means that in the end the colonies may themselves become rivals of the mother country in this respect, yet for the present the fine quality of English produce secures success for the producer. Hence the moral drawn for the benefit of French agriculture, is the desirability of "high farming," "*production intensive*," "Il faut augmenter les rendements. Plus le cultivateur de blé récoltera à l'hectare, plus cette récolte—l'exemple de l'Angleterre nous le prouve—sera rémunératrice, car l'intensité de la production est le seul remède à la baisse des prix." This is the main lesson of the book; of its soundness in application to France we

have no means of judging, since the bulk of the author's figures and facts refer to England, and the conditions of French agriculture and politics are assumed to be known to the reader ; but it seems clear, at any rate, that the French farmer is content with an amount of produce which would mean ruin in England.

To English readers the main value of the book lies in the brief and accurate account given of the conditions of English farming, and the statistics as regards average wages, prices, and profits ; we have no book in English that quite fills the place of this one, which might well serve as a model for such. It is, indeed, rather a misfortune that M. Dulac should not have had the opportunity of studying Mr. Rider Haggard's excellent and comprehensive work, *Rural England*, which would have thrown new light for him on many points, and would have perhaps modified the rosy view which he takes of the success of English methods. He scarcely appreciates the fact that the reduced number of labourers on English farms since 1871, in spite of the introduction of labour-saving machinery, is no advantage to the farmer, but actually constitutes his greatest difficulty, and prevents that "production intensive," which should be his aim ; and when M. Dulac tells us, in a tone which seems to be congratulatory, that land which, in 1871, afforded employment for 1,060,000 labourers, now only occupies 873,000, his words have an unconscious irony in them ; for, in fact, much of the land which was cultivated in 1871 has practically, if not nominally, gone out of cultivation now. Nor does he altogether realize the meaning of the recent increase of so-called "permanent pastures," and the corresponding decrease of arable land. For "permanent pastures" are of no value unless they are used as such ; nor is the increase of them an advantage unless there is a corresponding increase of cattle and sheep ; but, in fact, the increase, when there has been an increase, in the latter, has not been nearly in proportion to the increase in so-called pasture land ; and in some years (e.g. in 1902, as compared with 1901) there has been a heavy decrease. In one other important point, M. Dulac might have been led to change his mind, if he had been able to consult Mr. Haggard's work ; this is in regard to the extent to which small holdings can be made to answer in England : M. Dulac greatly, as I think, underrates the possibility and the advantageousness of "la petite culture" in England ; he overlooks the fact that small holdings were, not so very long ago, very common indeed in England, and that the small-holders were only bought out by rich men, in a time of agricultural prosperity, because they were so successful ; and he is, not unnaturally, unaware of the conspicuous success of small holdings where the system has been

experimentally revived in many parts of England, *e.g.* at Winterslow, at Martinstown, on Lord Carrington's estates, and elsewhere. With these restrictions, however, M. Dulac's account of English agriculture is as accurate as it is concise.

It is interesting to be made to see ourselves as others sees us. M. Dulac evidently feels surprise at the casual and informal character of the contract between landlord and tenant—a contract usually verbal and renewable annually; but he rightly sees that in fact the disadvantages of informal conditions and of tenures nominally short are counteracted by custom and by the effect of recent legislation securing the tenant's interests, particularly in regard to unexhausted improvements. M. Dulac takes a very strong view of the injustice of the present incidence of local taxation, whereby real property suffers out of all proportion to personal; and he further expresses himself vigorously in regard to tithe—“une charge pesante, une obligation inégale et immodérée que doit supporter le domaine foncier.” This is not the first time that we have seen in the works of foreign writers the expression of surprise that a charge, which was naturally laid upon land at a time when a far larger proportion of property was in the form of land, should remain almost exclusively laid upon land, when so large a portion of the wealth of the country is now of another kind. The impartial foreigner almost always regards this as mischievous and unjust; that it is a serious burden to agriculture is beyond dispute, whatever historical justification there may be for it. Another part of the English system which strikes M. Dulac as unfair is the plan whereby (as he thinks) the tenant farmer has to take the whole of the risks of bad seasons, and the landowner none; and he thinks that instead of a fixed rent being laid on the land, a “fair rent” should be agreed upon at the end, not at the beginning, of each agricultural year. He neglects, however, the fact that the landlord is usually called upon to make some abatement of rent when the season has been bad; and that in the case of large landholders these remissions often amount to a very heavy annual sum. The accounts of some Oxford and Cambridge Colleges might have thrown a good deal of light on the subject, had M. Dulac thought of consulting them.

It is a pleasure to commend this acute and instructive book to the attention of English students.

A. W. PICKARD-CAMBRIDGE.

**HISTOIRE DES CAISSES D'EPARGNE EN BELGIQUE.**

Ouvrage couronné par l'Académie Royale de Belgique. Par  
LOUIS HAMANDE et FREDERIC BURY. [3 vols. viii., 676 pp.  
8vo. Fonteyn. Louvain, 1902.]

We cannot learn too much about thrift institutions in other countries, more especially while our own are on the stocks for repairs. This did not, indeed, appear to be the opinion of Sir Michael Hicks-Beach, when, last year, in his capacity of Chancellor of the Exchequer, he presided over the Parliamentary Committee inquiring into the question of savings banks, and carefully ruled out of court all information relating to foreign savings banks, more particularly to what is being done in Belgium, as being altogether unsuited to this country. In saying this, Sir Michael can scarcely have been sufficiently informed. For if there is one country from which we, having centralized all our savings operations in the main in one great national institution, can learn something, it is "the little England of the Continent," so like ourselves in the composition of its population, in its industrial pursuits, and its business ways. Very brilliant results, it is true, have been obtained elsewhere in the province of thrift—most notably so in Italy, Switzerland, and Germany. We there find the number of depositors increased—say, in Saxony—to one-half of the population, and the value of deposits carried to more than twice what it is among ourselves, that is, £12 per inhabitant; and, again, in Holstein we find the total amount of deposits multiplied sevenfold—from 50,000,000 to 350,000,000 marks—in twenty years. But all these triumphs are due to the beneficent action of independent, self-governing, local savings banks. In Belgium it is the "national" institution, covering the entire kingdom with a network of receiving offices, even closer and more comprehensive than our own, which has secured the enviable result of making thrift at the same time profitable to the depositor and useful to the public. Professor Hamande—for the book here reviewed is, in the main, of his composition—has some other local savings banks to tell of. However, apart from their historical aspect—since he rightly fails to notice the Belgian "People's Banks," which are responsible for very large accumulations of deposits—such private institutions cannot enter seriously into account. Their transactions are comparatively small. There is, nevertheless, one feature about them which calls for notice. They were, in the main, formed originally by what are often called "capitalist" institutions—that is, municipalities, chambers of commerce, unions of industrial employers, even ordinary banks, such as here we generally find ranking as sworn foes to savings banks. As long ago as 1836—Belgium was only formed as an

independent kingdom in 1830—a law was passed, directing town councils to provide savings banks for the use of the working classes in all towns. Attached to banks and to similar institutions, many of these institutions would have remained, if the Government had not stepped in to take the task off their hands. The same spirit which prompted employers to create institutions of this sort, specifically for the good of working men, may still be observed very profitably at work in the various “establishment savings banks,” created by employers in those monster industrial establishments—“John Cockerill,” the “Vieille Montagne,” the “Usines Remy,” etc., to which Professor Hamande does due justice. Very useful they prove in practice.

But all this cannot compare with what is actually being accomplished by the National Savings Bank. That bank was, in Belgium, *not* formed, like post-office savings banks elsewhere, in imitation of our own Post-office Savings Bank—though, as a matter of fact, it adopted the collection of deposits by post-offices after the British example, adding, however, other Government offices as receiving counters. Its formation was planned long before Mr. Gladstone found himself driven, in 1860, to what he then considered an extreme course. It was first suggested in 1843. It was officially announced as coming in 1848. The measure creating it was actually taken in hand in 1859. Its founder's conception was as different from Mr. Gladstone's, or from that of any of that statesman's successors, as well can be. There were not to be two masters to be served—the public and the Treasury ; but absolutely only one—the public. Accordingly the bank was not even made a Government institution, though it remains protected by a Government guarantee. Frère Orban would have it free and self-governing, administering its own funds in its own way, for the encouragement of thrift and the benefit of depositors alone. A maximum limit to accounts, such as we have, was suggested, with the view of shutting out depositors other than poor. However, the Government promptly pointed out that the Savings Bank, if it was to be self-supporting, must have large balances as well as small, the former to pay for the latter, which cause a loss ; and that therefore to shut out the large accounts by a limit would be to render the worst possible service to the small depositors. In course of time the rate of interest, which, in respect of sums up to 3000 francs, still stands at 3 per cent., was reduced to 2 per cent. for sums exceeding that limit. But that was all the concession the Savings Bank would make. Once more, it was suggested that, as in this country, investments of savings bank funds should be limited to Government securities. Once more the Government itself objected.

Frère Orban had the experience of 1830 and 1848 still vividly before his eyes. In those years, savings banks in Belgium got into serious difficulties *just because* their sole or main investment was Government securities, which proved unsaleable during the crisis. He deliberately gave his savings bank an absolutely free hand, with the result that at the present time nearly as much money is invested in commercial paper (bills of exchange), home and foreign, properly secured, as in Government securities; and it is avowedly that investment which kept the bank safe in the serious crisis of 1870.

Such absolute freedom of investment, by a governing body kept absolutely out of connexion with Government influence, is not the only distinguishing feature of the Belgian National Savings Bank. There is another, fully as important. The Savings Bank is to administer its funds so as to make them render the most effective service possible to the public. Poor folks' money is to do good to the poor. And under the enlightened management of its present Director-General, M. Lepreux, and his predecessor, the late M. Mahillon, the bank has fully done justice to this demand. It lays out its money where it can fructify for the common good. It actively supports thrift institutions of every sort, more particularly school savings banks; and, above all things, it has laid out already a full  $7\frac{1}{2}$  per cent. of all its funds, to be shortly increased to 10 per cent. (that would be £20,000,000 in this country) in working men's dwellings, quite apart from the substantial sums lent to local bodies on the security of the rates for similar building purposes.

As a matter of course, where so admirable an example is set by the principal savings institution, the smaller savings banks follow faithfully in its wake, vying with it in well-doing, which has thus far always proved perfectly compatible with safety. Professor Hamande tells the story of the progress of saving in Belgium with great lucidity, and has been at no small pains to tabulate results, making comparison easy on every point. His statistical information is full and precise. His conclusions are likewise suggestive and interesting. He rightly insists that the utility of a savings bank is not to be measured merely by its balance of deposits carried forward at the end of a year, but perhaps to an even greater extent by the number of its transactions. If people are not taught to carry every shilling that they do not momentarily want into the Savings Bank, even though they should have to draw it out again, there is many a shilling that ought to have been laid by which will be spent in the year.

There can be no question that the Royal Academy of Belgium acted rightly in awarding a prize to these volumes. And it will be a

good thing if they are carefully read in this country, more particularly in Downing Street.

HENRY W. WOLFF.

THE HOUSING HANDBOOK. By W. THOMPSON. [xxiii., 371 pp. 8vo. 2s. 6d. net. King. London, 1903].

Any work upon the housing of the poor by so competent an authority as Mr. Thompson, of the Richmond town council, is certain to be read with interest. The volume before us contains an enormous amount of valuable information on the subject, arranged in a more compact and accessible form than in any other book with which I am acquainted.

It consists of four sections. (1) The House Famine; (2) What may be done; (3) What has been done by local authorities; and (4) What ought to be done, and how to do it; together with a useful appendix upon Housing Legislation. Another section might have been added with advantage, pointing out what has been done by private enterprise. Although considerable information on this aspect of the question is scattered through the book, yet it scarcely receives collectively the attention which its importance deserves. Many people, while prepared to go far with Mr. Thompson in his advocacy of municipal building, cannot lose sight of the excellent work which has been, and is still being done by private enterprise; and, while ready to admit that the product of private enterprise is inadequate, cannot forget that the extravagant mistakes made in the name of municipal authority in the past are largely responsible for the suspicion which clings to fresh experimental work to-day. Private enterprise is a tender plant, which needs and deserves all the encouragement and help which can be given to it; and, therefore, I regret that its results are not treated more fully and judicially.

But, after all, the Handbook is an excellent piece of work, and its great value lies in the help that it gives to the creation and maintenance of a sound and enlightened public opinion on the subject, by bringing home to the mind of the average reader its magnitude and difficulty, and by providing the social worker with definite facts and figures to stimulate and guide his efforts at reform. Almost every one knows, in general terms, that our poor are badly housed, and that overcrowded dwellings have a pernicious effect upon the lives of the unhappy people who occupy them; and every one expresses a general hope that a way may be found out of this deplorable state of affairs. But the "man in the street" (if he knows as much) knows nothing beyond this; of the intimate facts, of the remedies which have been

suggested, and of their relative practical value, he is hopelessly in the dark. Definite knowledge on the subject is still confined to the comparatively few; and while this is the case, reform must necessarily be uncertain and slow. Until the public conscience has been more thoroughly awakened, and the public mind more fully informed, the chariot wheels of public action are bound to turn slowly. A book of this kind, therefore, is something more than an interesting collection of facts and statistics, for it represents a really active influence in the cause of housing reform.

Perhaps the most interesting chapter in the book is that which deals with the great financial problem of providing municipal dwellings at sufficiently low rents, without imposing any additional burden upon the rates. It is now generally agreed that to proceed by clearance of large slum areas is extravagant and unsatisfactory, and it is improbable that any future work will be done under Parts I. and II. of the Artisans' and Labourers' Dwellings Act. On the other hand, much may be done towards providing land and dwellings under Part III., with a prospect of fair return on capital outlay. Mr. Thompson quotes the working results of sixteen municipal housing schemes, involving a capital outlay of about £1,300,000, which show an average profit of  $3\frac{1}{2}$  per cent. In any case, all such schemes should be self-supporting; and provided that the charges for sinking funds are eliminated, there ought not to be much difficulty in attaining this result. But, after all is said and done it does not appear to be possible to reduce the rents per room in large towns under 1s. 3d. per week.

It must be remembered that while an adequate supply of cheap sanitary dwellings constitutes a most important step towards the solution of the housing problem, its complete solution demands more than this. Every practical worker knows that there is a *personal* aspect of the question, bearing upon the habits and character of tenants, which cannot be left out of consideration, and is very difficult to deal with. This part of the question does not come within the scope of Mr. Thompson's book, but it is of sufficient importance by itself to demand a whole volume for its proper discussion. He shows us, however, that the success of building schemes, whether initiated by public or private enterprise, largely turns upon efficient personal attention, inspection, and control. Until sympathetic, well-informed, and self-denying personal service on the part of the well-to-do can be brought to bear more adequately and effectively upon the lives of those who are less fortunate, the housing question—in common with all other social questions—will have to wait for a final answer.

ALFRED H. CARTER.

LONDON STATISTICS, 1901-2. Printed by the London County Council during the year 1901-2. [cxxxviii., 444 pp. Fol. 5s. 7d. King. London, 1903.]

The flight of time seemed remarkably rapid when I found on my table another of these annual volumes ; but, as the editor and statistical officer to the council explains in a note, this is an intermediate volume, as it is intended in future to confine each volume to statistics published within the year from March to March, instead of endeavouring to include all statistics issued in respect of each year.

The Introduction begins with an unconvincing eulogy of a quinquennial census, based on the fact that an estimate of the population of 1901, calculated on the assumption that the rate of increase was the same as that of the increase shown by the census of 1891 and the local census of 1896, would have been only 104,000 wrong instead of 131,000 wrong as an estimate based on the assumption that the rate was the same as between 1881 and 1891 would have been. But it is difficult to see why any one should be bound to make either assumption. The rate of increase having been, in previous decades, successively 22·4, 20·6, 18·2, 18·6, 10·9, it would surely be much more reasonable to assume a less rate than 10·9 for the years 1891 to 1901. If it had been assumed that the rate would be to 10·9, as 10·9 is to 18·6, the error would have been only 38,000. The same remark applies to all areas. If we find an area which has hitherto increased or decreased at steadily increasing or decreasing rates, it is much more reasonable to assume a continuance of the increase or decrease of rate, than to assume that the increase or decrease of rate is going to stop suddenly in favour of a uniform increase or decrease on the basis of the last ten years.

The figures bring out a fact which few probably have noticed—the fact that the population in the county of London north of the Thames has ceased to grow as a whole. The south side has crept up from 22·1 per cent. of the whole in 1801, to 38·5 in 1901.

Births and deaths in the whole county have remained practically stationary in the last twenty years, in spite of increase of population. Infant mortality is 160, which is lower than in any town of over 200,000 inhabitants, except Bristol (133) and Bradford (141). The district with the highest rate was Holborn (240), and that with the lowest rate, Hampstead (100). The length of public highways, including courts, etc., maintainable by local authorities, was 2018 miles. On p. lxxi., there is a good illustration of the utter carelessness with which the futile controversy about municipal trading is carried on. London prices for gas are compared individually with “a few of

the larger county boroughs, where the gas undertakings are in the hands of the municipal authorities." The boroughs taken are: Birmingham, Bolton, Bradford, Hull, Leeds, Leicester, Manchester, Nottingham, and Salford. No mention is made of the superior geographical situation of all these places, nor, of course, the fact that the Sheffield company supplies cheaper than any of them. The inclusion of Hull is particularly unfortunate, as the corporation of Hull only supplies one-eleventh of the gas supplied in Hull, and supplies it at a considerably higher price than the company which supplies the remainder. Moreover, in the 1901 return, though not in the 1900 return quoted by the L.C.C., it is said to buy the gas it supplies from the company!

EDWIN CANNAN.

**RECENSEMENT GÉNÉRAL DES INDUSTRIES ET DES MÉTIERS.** [18 vols. 4to. Office du Travail. Brussels, 1900-1902.]

This monumental work occupies eighteen bulky quarto volumes of some six hundred pages each on an average. In cubic capacity it is about as big as the Report of our Labour Commission, or even bigger. In addition to the main work, there are two small volumes giving analyses of the contents of volumes i. to iv., and offering a very slight sketch of the industrial state of affairs in Belgium fifty years before the present census was undertaken. This work was entered upon, we are told, because the Government was impressed with the necessity of providing exact information about the present industrial state of Belgium, so that the important economic problems of the present day might be approached in the light of adequate knowledge. Investigation began in 1896; the first volume was published in 1900, and the last in 1902.

A census of the same general character had been made in Belgium fifty years before, namely in 1846. Another was attempted in 1866, but the results obtained were never published. Again, in 1880, the Government began a similar enumeration, but only a portion of the Belgium industries were dealt with. Hence the pressing need for the census now under review. Before investigations were entered upon in 1896, we are informed, an extensive study of census work at home and abroad was made, with the result that the plan ultimately agreed upon confined the examination to the barest facts, the knowledge of which was most strictly necessary. This was done to prevent the chiefs of the census from being involved in lengthy and laborious researches, and to secure exactness of results. It was

needful here to refer to this point, in order to indicate shortly the general character of the work before us.

The information collected is grouped in three main divisions. The first, occupying three volumes, gives the geographical distribution, by undertakings and by the number of workers, of all the Belgian industries. This alone contains a tremendous amount of detail, since the unit of area selected is the commune. In the second division, covering the next twelve volumes, are to be found statistical facts relating to such subjects as the following :—character of businesses (whether private, companies, or co-operative societies), small and large industries, and the ages of the various businesses in the country, working time lost, the employment of women and children, hours of work, wages, and methods of paying them, and the numbers of each kind of power-engine in the country. In the third division we find figures relating to such questions as the distribution of labour by occupations, sex and age, and lack of employment.

The eighteenth and last volume gives a general account of the methods employed, and the results. With this volume before him, therefore, the reader never need wonder what exactly the figures given in the census must be taken to mean. As regards results, they are obviously too full to be noticed here; but perhaps it may be regarded as of general interest, in showing the state of industrial development in Belgium, that, of the industrial workers, while 577,000 males and 113,000 females are engaged in factories, mines, etc., only 42,000 males (6000 of whom are children) and 76,000 females (11,000 of whom are children) produce at home. The large proportion of women engaged in work put out by employers compared with the number of men is noticeable, but it is not peculiar to Belgium. Of the 380,000 industrial undertakings in Belgium, more than 90,000 belong properly to domestic industries.

Such is the Belgian industrial census of the end of the nineteenth century. It is an impressive piece of work, and if the facts elicited by it take the place of wild conjecture in discussions on economic questions, its production will be more than justified. Much of the information given by it, however, is so minutely detailed, that it is not easy to see what useful purpose it can serve. And, even as regards the important facts, the worst of it is that they so soon become out of date, while it is long years before they become history. Indeed, the figures relating to the wages of colliers have become obsolete already, and the Office du Travail has therefore felt it incumbent upon it to issue a supplementary report upon that matter.

S. J. CHAPMAN.

**ECONOMIC AND INDUSTRIAL PROGRESS OF THE CENTURY.** By H. DE B. GIBBINS. [524 pp. 8vo. 5s. net. Chambers. Edinburgh, 1903.]

That materialism has been the central ideal of the world in the nineteenth century it is hard to deny. The reaction from revolutionary dogmas, which was voiced at Vienna in 1815, gave way in turn to a liberalism of which Jeremy Bentham rather than Jean Jacques Rousseau was the apostle. But whatever "the greatest happiness of the greatest number" may have meant in theory, it amounted in practice to no more than the predominance of the middle classes. It was not until the full force of the economic and industrial revolution was developed, midway in the century, that the claims of the "masses" to a share in political power were recognized. And by that recognition the spirit of nationality begotten by the French Revolution was consolidated by the strongest of all ties—community of interest. Socialism replaced individualism, and the State became responsible for the material interests of all its members.

Hence the intimate connexion between politics and economics throughout the century, and hence the interest of such a book as Mr. Gibbins's to all students of history and politics. It was the Zollverein that founded the German empire; commercial interests parted Spain from her American colonies, and divided the United States in the War of Secession; the difficulties of the Dual Monarchy have been largely due to industrial problems, and agrarian grievances in Ireland have been, we are assured, the main sustenance of the Home Rule party. Moreover, the future of the British Empire depends very largely upon the due settlement of economic interests, so that, if we believe with Mr. Gibbins "that this progress is only in its earlier stage, and that the twentieth century will witness triumphs of industry and commerce even more remarkable than those of the nineteenth," we must at once admit the importance of enabling every intelligent citizen to acquaint himself with the progress of industry and commerce in the past.

This indeed is the object of the present work, and, viewed simply as a summary of facts and figures, it will doubtless prove of value. But I must admit to a feeling of disappointment. The vast amount of interesting and, on the whole, accurate information which the author has collected from the standard works is presented in a disjointed and incoherent form—a fault which is, perhaps, mainly due to his apparent reluctance to discuss broad principles and general movements. "It is sufficient," he says, at the end of one chapter, "to chronicle the course of commercial policy and progress;" but his story would have been

more intelligible and more valuable if he had kept before his readers some of the main ideals which dominated the whole progress of the century. As it is, the reader is plunged into a maze of facts with scarcely a word of introduction. He is conducted on a flying visit at express rate through England, the United States, and the British Empire; he is whirled through every country in Europe to South America, and is finally brought home again by way of China and Japan. Moreover, by his rigid adherence to chronological order, and his determination to deal with each division of his subject separately, our author necessitates constant retrogression. The book would have gained in clearness and unity had the progress of each country been treated once for all as a united whole.

Out of this labyrinth the reader may grasp for himself certain main factors. The most obvious of these is that to which I have already alluded—the inseparable connexion between industrial questions and general policy. “Matters,” says Mr. Gibbins, “which touch the pocket move men at least as quickly as those which touch their honour or conscience:” while the survey of the English factory system and the miseries of the old poor law serve to remind us that economic progress has as vital an importance in domestic as in external development.

The facts, as has been said, are commendably accurate, though when compression is carried to such a pitch some mistakes are inevitable. To instance a very few: The evils of enclosures were prominent before Henry VII.’s time; James Watt was not the first to apply the steam-engine to pumping; it is surely beyond doubt that the slave-trade was economically unprofitable; the right of searching neutral ships in time of war was not laid down by England in the eighteenth century, but was recognized in the maritime law of the Middle Ages, and had been acted on by every Power from the seventeenth century. The chapters dealing with later years, too, are frequently out of date; 1887 is the latest date mentioned for the statistics of Russian railways, and 1877 for those of Italian manufactures.

The style is at times rather irritating and verbose. Surely we do not require to be informed that “the England of 1900 is a very different country from the England of 1800;” or “that a horse cannot carry anything like so much as he can draw.” But, when all is said Mr. Gibbins has yet popularized an immense deal of interesting information, which the general reader might not easily obtain.

W. B. RIDDELL.

**A HISTORY OF FACTORY LEGISLATION.** By B. L. HUTCHINS and A. HARRISON, B.A. (Lond.) With a Preface by SIDNEY WEBB. [384 pp. 8vo. 10s. 6d. net. King. London, 1903.]

In this book Miss Hutchins and Miss Harrison have given, within modest compass (one-third of the book consists of appendices and index), a sober and concise account of the progressive solution to which the industrial problem has been subjected during the past century. The work falls into two main divisions. Chapters i. to vi. lead up to the Factory Act of 1853, in which the great principle that the State should regulate labour is at last fully established by the introduction of a "normal day" for women, young persons, and children; whilst the subsequent chapters show how this principle has been and is being extended to other industries besides the cotton manufacture, to workshops as well as factories, and how it has been modified by the shortening of hours, the alteration in details of administration, and the attempt to consolidate and make coherent the whole series of reforms.

The scope of the work is quite modest, for it is merely a history of factory legislation; and thus it omits any general review of the labour problem, any discussion of its connexion with the Corn Law agitation or the Chartist movement, any treatment of the wider issues of the case, which would have added much in the way of interest and breadth to the dry annals of fact which are spread before us. Such questions, however, were not germane to the purpose of the authors, and it would be unfair to quarrel with the book for not giving what it does not profess to give, though personally I wish that it had been planned on rather more ambitious lines. At any rate, it supplies a distinct want, giving a succinct and systematic account of the various regulations which the State has imposed on labour since Peel's Act of 1802, and of the stages by which these regulations were introduced. And the book is still more welcome if the time at which it appears be considered. One of the vital questions of the day is, how we are to maintain our commercial predominance; and the perusal of this work may suggest the reflection that, just as in certain trades State supervision has produced an extraordinary improvement in those industries, so a similar regulation of other trades might be expected to produce a similar improvement in them. Legislative interference with labour, within certain limits, must, as the authors insist, be ultimately an economic advantage in the widest sense to the nation. A trade in which "sweating" prevails cannot itself flourish, and must inevitably contribute to the bodily and mental deterioration of that part of the community which is engaged in that trade.

I must confess that I find the first six chapters of the book somewhat confused. To include within 119 pages the whole series of Factory Acts from 1802 to 1853 was a very difficult task; for the period is exceedingly complicated, and there is a vast amount of ground to be covered. I cannot help thinking that the authors have tended in some measure to sacrifice clearness to conciseness, and that they would have done well to increase the dimensions of this part of the work. But this criticism does not apply to the second part of the book, which is straightforward and lucid in a high degree. On a point of detail, I would venture to suggest that a chronological table of the various Factory Acts, up to 1853 or even later, with a short synopsis of their respective provisions, might have been added with advantage. Considerations of space, as well as of propriety, forbid me to analyze the book in detail. I will only note one or two points which seem to me particularly valuable, although I might widely extend this enumeration without exhausting the reasons for which this volume may be recommended to those who take an interest in these subjects. In the first place, the authors have done well not to minimize the difficulties which surrounded the problem, and made it almost impossible to proceed except in a very timid and tentative manner. Even now the difficulty of regulating "home" industries like laundries, the apparent impossibility of curtailing shop hours by State enactment, the endless conflict of local interests, create stumbling-blocks which it needs a very sagacious politician to surmount, and—a yet greater requirement—a very intelligent House of Commons to appreciate. In the second place, I am glad to note that some justice is done to the share of the manufacturers in the work of reform. Dickens's sketch of Mr. Bounderby, though true of a certain class of employers, has misled many into thinking that all employers suspected a desire for turtle-soup and a gold spoon in the most modest complaints of the operatives; and his account of the "Association for the Mangling of Operatives," though not unjust in reference to a certain phase in the industrial revolution, is not true of its whole course. In general, as is often pointed out, the manufacturers were as anxious as the operatives for State intervention, and frequently based their views on far more intelligent considerations than did the workers. Lastly, I observe with pleasure the arguments brought against the so-called Women's Rights movement, which are enhanced by Mr. G. H. Wood's valuable appendix on the effect which the earlier Factory Acts had on women's wages. Surely of all examples of ignorant philanthropy this is the most notable! The well-meaning persons of the middle and upper classes, who had the legitimate desire to extend the sphere of women's

usefulness, thought to further this object by opposing all attempts to remedy the conditions (which they did not understand) under which women (belonging to a class of which they knew nothing) were employed in industrial work. And this forsooth was due to the ignorant supposition that the men's unions wanted to oust women altogether from the labour market. But it seems the curse of much modern philanthropy that it often knows next to nothing of the evils which it proposes to remedy.

In sum, this book is useful but rather slight. It presents the case from the economic standpoint for State regulation of industry with undeniable force. And, by giving an account of the way in which this principle has been developed, it may be hoped that it provides a solid basis of fact upon which future reformers may build. It is particularly commendable that the authors have stated so forcibly the economic arguments for such interference; it has always been the most prevalent, because the most ignorant, argument against shorter hours and State regulation, that the small trader and manufacturer would thereby be killed and commerce hampered by lessening the output. And to demolish such a fatuity is not entirely unnecessary.

The authors' attitude is, on the whole, fairly impartial. There is no doubt at all that they regard the whole century of factory legislation with favourable eyes, but they do not exhort the reader too strenuously to agree with them. In general they confine themselves to a plain statement of the facts, and if these seem to bear only one rational interpretation, many will be inclined to think that the cause lies in the nature of the facts and not in the attitude of the interpreters.

A. W. F. BLUNT.

**LE BIENHEUREUX BERNARDIN DE FELTRE ET SON  
ŒUVRE.** Par le PÈRE LUDOVIC DE BESSE. [2 vols. 946 pp.  
8vo. Œuvre de St. François d'Assise. Paris, 1902.]

The life of St. Bernardin of Feltre wanted to be written. It wanted to be written at the present time, when the beatified Father's ideas are seen triumphing. And it could not have been written by one better qualified than Father Ludovic, a friar of the same Order as St. Bernardin, bent upon the same work, and carrying it forward with the same earnestness and probably no less eloquence. In the first of the two volumes, which deals with the "life" of St. Bernardin, the pious biographer has a good deal to tell about really astonishing miracles, which should have marked out the good Capuchin as an unquestionable saint even in his lifetime, in the second half of the fifteenth century. But, as a fact, it took nearly four centuries to get his

sainthood established. However, by far the most interesting portion of Father de Besse's tale is to be found in the second volume, which deals with St. Bernardin's "work." That work may be said to have been the first realization of that very useful principle which is now popularly known as "Philanthropy and 5 per cent." That principle was unknown in St. Bernardin's days, and it needed a life's hard fight and more than one sanctioning papal brief to obtain recognition for it. There was nothing then between the cardinal sin of "usury" and "charity" pure and simple. Father de Besse gives a most interesting, but probably just a little overdrawn, picture of social and economic distress and deterioration in Italy in those days, and more particularly enters with great minuteness into the details of the arrangements officially made to provide Italian cities with money-lenders, who were, of course, for the most part, Jews. There is a curious agreement quoted at length, copied word for word from the Milan archives, concluded between the city of Parma and the Jew Salomon, securing to the latter the right of carrying on business, but binding him down to specified rules. M. de Besse is one of the most tolerant Capuchins to be found, and, when he tried his hand at co-operative banking at Paris, he gloried in having a Jew as one of his fellow-members—"and by no means the worst, I can assure you." But in his present book he is just a little hard upon the Jews. He apparently forgets that in 1430 the authorities of Florence deliberately invited the Jews to come into their city in order to restrain the exorbitant usury then practised there by money-lenders who were not Jews.

Father Bernardin made it his life's work to popularize the *monti di pietà*, which were very much more than mere pawnbrokers' shops, organized on a new basis. It was not he who invented them. There were some in existence previously. But they were charitable institutions, in which no interest was allowed to be taken. He insisted that they must be made self-supporting. That earned them in some quarters the name of *Montes impietatis*. However, the principle prevailed. The *monti di pietà* were to be pawnbroking offices, savings banks, and business banks all in one, with a special department attached for the distribution of charities, out of surpluses earned, to poor and deserving people. It is interesting to find the last-named beneficent institution still preserved in Italian savings banks and co-operative banks. It has lived down from St. Bernardin's days. It might never have been thought of otherwise. The *prestito sull' onore*, the ample grants for educational purposes (as, recently, even for the foundation of a chair of agriculture at the University at Bologna), and the liberal lending to small cultivators practised by savings banks,

are all survivals from St. Bernardin's creation, which, in its completeness, is preserved only in the *Monte dei Paschi* of Siena. Elsewhere the work has been divided. The pawnbroking has gone to the public pawnshops; the receipt of savings to the savings banks; the ordinary banking to ordinary banks. However, Father Ludovic is fully justified in claiming that the formation of co-operative banks, which, in their various shapes, now cover the Continent and do untold good, is in some measure a revival of St. Bernardin's useful work. And that is probably the reason why Father de Besse has attached himself to the co-operative movement, and become in France one of its most eloquent and impressive leaders.

HENRY W. WOLFF.

OUR BENEVOLENT FEUDALISM. By W. J. GHENT. [202 pp. Crown 8vo. 5s. net. Macmillan. New York, 1902.]

This book, we are told in the preface, consists in an expanded magazine article. It may be doubted whether, for all "the wide interest that article awakened," it was wise to seek to expand it. A more or less happy phrase, a more or less striking analogy, that perhaps were fit excuse for a passing caricature of the multi-millionaire clad in the armour of righteousness as forged and fashioned by the Steel Trust. But when the thumb-nail sketch is converted into a framed and flaring oleograph of ample proportions, we others who do not own palaces begin to ask ourselves whether we really can afford the room to house such articles of fancy. For it is apparently as a work of art having no other end but itself, not as a poster advertising some scheme of reform, that this picture of twentieth-century society in America puts forth its claim to public attention. The tone adopted is one of discontented fatalism. There is no escaping the coming tyranny of organized, or rather morganized, Capital. Wherefore let us, who are no red revolutionaries, who are shocked at remarks like "Night hath but one red star, tyrannicide," continue to assert the inextinguishable spirit of Liberty that is our national heritage, by—grousing.

No doubt there is a great deal of truth in much that is urged in these pages. Capital—at any rate the direction of Capital—is nowadays in the hands of the Few, and the Few think of the Few first and the Many afterwards, whilst their right to do so goes practically unchallenged in an age which identifies success in business with the Good. And this from the point of view of what ought to be, nay, even of what has sometimes been, is disgusting. But why exaggerate? Why quote ill-natured gossip about the gormandizing of certain

European royalties with the object of proving that sooner or later every money-king in the States will take to consuming egg beaten up in sherry *twice* whilst his valet dresses him for breakfast? Or why declare roundly that the plutocrat who endows education is but buying the guilty acquiescence of the economist and the philosopher in a social system they know at heart to be rotten? This latter statement is palpably absurd, and the author, so profuse at other times in his citation of evidence, has not one solid fact to bring forward in support of his malign assertions. Nor, again, does he make out his case against the legislature and the bench. It is by no means the first time that it has been stated by American writers that law is made and administered in the interests of the Trusts. But, if no more convincing demonstration of the truth of this contention than the one here attempted be forthcoming, the verdict of every impartial man must be at least *Non liquet*. This book, then, is neither social science, nor practical politics, nor even sober, sound literature. It is moderately smart journalism; and that is about as much as can be said for it.

R. R. MARETT.

CHARITY AND THE POOR LAW. By S. D. FULLER. [167 pp. 8vo. 2s. 6d. Sonnenschein. London, 1901.]

This is an excellent little book, not very original, but clear, well reasoned, and well expressed. It has the further merit of being intended to advocate a perfectly definite line of policy, and one, above all, which has stood the test of experience and been found to work well in practice. The line of policy which it is written to support is one which has governed the practice of the Paddington Board of Guardians, of which Mr. Fuller was chairman. It consists in attempting, after careful inquiry, to discriminate between the different classes of applicants who are brought before the board, and to classify them, according to the lives they have led, into deserving and undeserving. When a man or woman has been pronounced deserving, and it has been further ascertained that he or she has no relatives able or willing to assist, such a case is set apart as one to be relieved outside the workhouse in some form or other. An attempt is first made to secure some help, if possible, from private charity, from a charity organization society, or from a pension society, supposing such an institution to exist in the neighbourhood. When, however, the attempt to secure help of this kind proves unsuccessful, the board does not hesitate itself to provide, in the shape of rather ample outdoor relief, the assistance required.

Two difficulties at once occur in the attempt to work out such a

scheme : First, the question is often raised whether it is possible to exercise such discrimination as the scheme requires. The result of experience is to show that if a board of guardians is painstaking, intelligent, and energetic, and is assisted by competent relieving officers, it is possible to exercise such discrimination with very considerable success. The second objection that may be urged is this—Will not such a system lead to the granting of a very large amount of outdoor relief ? Here, again, the verdict of experience tends to allay fears. At Paddington it was found, after giving the system a fair trial, that the number of cases which emerged satisfactorily from the ordeal of inquiry, for which help could not be obtained either from relatives or from charitable persons willing to assist, was never very large, and, curiously enough, tended, as time went on, to diminish rather than increase, so that no overwhelming burden was from this source thrown upon the rates.

In favour of the general, or even universal, adoption of such a plan two main arguments are advanced : First, it is urged that such a plan, if adopted, will largely mitigate objections which are felt, and not without reason, to the absolute refusal of outdoor relief, and will so tend to prevent or defer the reaction, which is sure, sooner or later, to set in, when a general abolition of outdoor relief is rigorously attempted. Secondly, it is contended that this scheme meets, in the most economical and satisfactory way, the demand for a system of old-age pensions. For under it those who really need and deserve these will secure them ; while money will not be wasted in granting them to those who either do not need them or do not deserve them. Both these contentions seem well sustained, and the policy may be recommended if only boards of guardians (but here comes the rub) can be trusted to exercise real discrimination, and will unflinchingly abide by the principles they have laid down for their own guidance. But the fulfilment of these two conditions, it is proper to point out, cannot very easily be secured.

W. A. SPOONER.

## THE UNEMPLOYED AND THE UNEMPLOYABLE.

THE problem of the unemployed is confused by the presence of the unemployable. Perhaps, if some way could be discovered of dealing with the latter, the working classes themselves could find a way of dealing with the former. The unemployable are the men and women so mentally or physically weak as to be unfit to earn a living. They are the untrained, the untaught, and the dissipated. The numbers tend to increase because the development of trade is always raising the standard of the worker—more intelligence is required for doing the least skilled work,—and because methods of relief suggested on the assumption of misfortune in the applicants are often an inducement to idleness or dissipation. There is no doubt, for instance, that many of the men thrown out of work last winter by slackness in the building trade had the power to lay by considerable sums out of the exceptional income of recent years.

The recognition of the distinction between the unemployed and the unemployable is the first step in the solution of the problem of their relief. The unemployed ought to be left to their friends and to the trade unions. The unemployable it is both the interest and the duty of society to undertake.

These are the workers who reduce wages to starvation rates. They tempt employers—offering their cheap and inefficient labour; and live on alms in time of distress. They have to be supported; the work they do others could do; the charity they receive consumes the wealth of the land, and, shocking though it be to say such things of men created by God to think and do original work, the extinction of the unemployable would add to the wealth of the country. Mr. Booth truly remarks that this lowest class preys on the class immediately above itself.

These also constitute even a greater danger to the well-being

of society, if that may be distinguished from its wealth. The sight of their manifest distress, in times of crisis or in spells of bad weather, rouses workmen to passionate indignation, and sets philanthropists and legislators on hurried action. Their presence gives force to every scheme of maudlin charity or of wild suspicion. Kind-hearted people, pointing to their needs, demand gifts of free dinners and unrestricted out-relief. Talkers, moved by unlimited suspicion, have it in their power to say, "This condition is what comes of free trade—or, of property—or, of monarchy." A degraded class lowers the standard of humanity, making it hard to enforce the lesson, "Honour all men." Its existence encourages many neighbours to say, "Nothing can be done," till their hearts are hardened, and their thoughts take shape in lucid expositions as to the uselessness of any effort. The well-being of society is affected when one set of its members is roused by the sight of suffering to use angry and bitter words which alienate sympathy, and another set is either driven into indifference, or to start remedies which, like Mansion House funds, shelters, free meals, and relief-works, tend to increase suffering by offending the self-respect of the poor, by encouraging inability, and by attracting applicants.

There is still one other reason why society should, in its own interest, undertake the care of their vagrants, these shiftless, homeless men and women. They are the means by which contagion—moral and physical—most rapidly spreads. It is they who carry about disease. In last year's epidemic of small-pox, the greater proportion of cases occurred in the lodging-houses frequented by such people. It is their children who, playing truants, make other children truants. School-board returns show how bad is the attendance of shelter children. The cost of the unemployable to society is to a large extent represented by the millions of money yearly spent on industrial schools, or on small-pox and fever hospitals, or on all the machinery of police and inspectors which is kept up in order to prevent the effects of neglect and dirt.

Society is thus, by its own interest, bound to undertake the care of the unemployable, and it is bound by the greater bond

of duty. The weak, be they weak by their own fault or by some one else's neglect, are members in the body corporate. They are in one sense its chief concern, and can only be left to perish when the nation as a nation has denied its obligation to humanity. The duty lies on the community to do something for men and women who are not worth a living wage. Every revelation that thousands of such people may be found, while statistics show increase of national wealth, is a summons to a society which calls itself by a common name and owns to being a brotherhood. It needs no prophet to foretell that if a society disowns an acknowledged duty it must meet loss and humiliation.

What, then, can be done for the unemployable, which will meet their need and is practicable? The obvious answer is that the only radical cure is in better health and better education. Happily, this is being recognized. A public opinion is being formed which requires that there shall be better houses, more open space, greater attention to children's diseases, and more efficient sanitary precautions. Public opinion is gradually awakening to the importance of education which is not limited to the knowledge of reading and writing. It is seen that efficient earning depends on intelligence, and that intelligence in work depends on the activity of the mind in its recreation. Schools, therefore, are being made more interesting, children's curiosity is being stimulated by nature-study, continuation schools offer attractions, free libraries, picture galleries and music are now often provided. Churches are realizing that individuals must be reached by individuals, and are developing in a modern sense the ideas of the Fatherhood of God and the brotherhood of man. Much is being done, but it has hardly entered the public mind to conceive what will have to be done before the means of a healthy life and a cultivated mind are brought within every one's reach. Nevertheless, till this is done, there will be no radical cure for the unemployable.

But there is a blessed impatience in human nature which will not be put off with the excuse, "Nothing can be done for the present generation, give all your attention to the children."

The question, therefore, still presses, What can be done for these thousands of men and women whose health has been broken, whose minds are enfeebled, and whose characters are gone? What can be done for the people we ourselves see, whose sorrows call out our gifts or provoke our anger? What can be done at once?

The theory which at present occupies the field, is that "deterrence" is the most efficient agent in forcing men and women to find employment. The theory has, of course, much which can be urged in its support. "An attractive form of relief is too great a temptation for ordinary human nature, and rapidly develops pauperism," is the text of some most able pamphlets, and many reformers contend that any scheme must be wrong if it offers the poor an "eligible" maintenance. The effect of this theory has been that in workhouses and casual wards labour has been made "deterrent." The inmates are forced to break stones, to pick oakum, or to do some work of purpose made hard and disagreeable so as to "deter" them from again resorting to the house. The man who enters an "improved" casual ward—which is the latest product of the deterrent theory—is locked up in a cell with a heap of stones which he is left to break up small enough to pass through a grating at the end of the cell. He is treated as a felon, and he is forced to do work under the conditions of distrust and loneliness most abhorrent to human nature. Is the theory right? Is a prison-like garb, a prison-like sort of work, a prison-like system of control, a vexatious system of rules, a stigma attached to the name of pauper, solitary confinement—is mere disagreeableness a means of reform worthy a civilized community? In a barbaric state the law is "an eye for an eye," but in a civilized state such a punishment is considered brutal, and the wrongdoer is treated as one to be educated. In our prisons the schoolmaster and the trademaster take the place of an executioner; and, instead of a brand, the criminal at the end of his term receives the wages he has earned in his prison. The "disagreeableness" with which poverty is punished seems as if it were a relic of the barbaric stage, and the poor have surely as much

right to be educated as the criminal. Brands and bullyings will not drive people to work any more than the giving of an eye for an eye will drive a criminal to righteousness. The policy which has followed the deterrent theory, is, indeed, as unreasonable as it is cruel. How is it likely that men and women, for whom work has been made shameful and deterrent, will afterwards seek work? How does such treatment fit the weak, the weary, the unskilled, or even the discontented, to do better work? There are few sadder sights than that which meets a visitor to the casual wards in London, as groups of his fellow-beings turn on him sullen, alien, and resentful faces. Casual wards invent more dangerous aliens than foreign nations can land on our shores. The theory which holds the field is wrong. It is not deterrence, it is education or training which will make people work; and education, be it remembered, includes discipline.

The first thing necessary, therefore, is to replace the work-houses and casual wards with what may be called "labour schools"—a "school of restraint" for men and women, and a "school of freedom" for men only, at which, under certain conditions, there would be freedom to come and go. Both schools should be established in the country, so that there would be ample provision for space, air, and exercise, but both should offer facilities for variety of work indoors as well as on the land. The control would probably be more efficient if the governors were appointed partly by the county council and partly by the local government board. The area for the selection of governors, as well as for the admission of people, would thus be wider than that of poor-law unions, and it might be well to dissociate the new schools from old associations. Part of the expense might fairly be borne by the nation, as the unemployable cannot be said to be the creation of any one locality or, indeed, to have any settlement. The local government board would thus have the right to nominate certain of the governors, and would take advantage of their power to put on men and women of known intelligence and humanity.

The school of restraint would be for men and women who,

broadly speaking, being homeless, apply for relief. These people are now liable to restraint during certain hours in the casual wards, which may extend over two days. The period of such restraint would have to be further extended, so that after, it may be, the second or third application it should cover three or four years. The inmates of the school would be well fed, enjoy outdoor exercise, have the means of education, receive medical attention, be educated, and be freed from all vexatious or humiliating treatment. They would, above all things, be trained in such work as would enlist their interest; infinite care both by officials and voluntary visitors would have to be given to individuals to discover and awaken such interest.

Experience has, for instance, proved that wayward men, whose weakness or virtue it is to like new things, will quite eagerly work at laying out a new garden, designing its paths and its beds, looking forward to nature's co-operation with their labour. The lowest we may rejoice, "are allied to that which doth produce and not partake, effect and not receive." A spark disturbs every one's clod. Work which touches the dormant creative faculty is thus unexpectedly satisfying, and gradually educates kindred faculties. Other men and women have been shown to have an art sense which delights in decorative work, and many have had their whole nature roused by the care of animals till work has become a pleasant habit.

The school would supply every inducement to bring out capacities, using the discoveries which the study of human nature will from time to time put at their disposal. It would aim at curing by development rather than by repression, by attracting rather than by deterring. But it would be a school of restraint in so far that, during the period of detention, there would be no going outside its wide boundaries, and the inmates would have to work.

The school of freedom would be for men who, again broadly speaking, have established homes of their own, having by their industry made enough money to buy furniture and keep their families. It would be set up, either in barracks or in huts, on a broad acreage of unreclaimed or derelict

land, of which we are told there is in England an undue proportion. The men—and, for obvious administrative reasons, no provision would be made for women—would be put to work, and money sufficient for the full upkeep of their homes sent by sure hands to their wives. The work given, either on the land or indoors, would be fitted to the respective abilities of the workers, but would never be made degrading either by its associations or conditions. A man would be under no compulsion to stay in the school, but he would be asked to commit himself for a certain period, and, in case of breaking this commitment, would have to make special terms if ever he required re-admission. There would, however, be free permission for each man, at regular intervals, to visit his home and seek work for himself, without losing his right to return or the pay for his family during his two or three days' absence.

Hope would, in a word, be the universal lever, as fear is now the lever. But hope must have a definite form. Perhaps it might be possible that part of the general work of the school should be the building of small homesteads and reclaiming the surrounding land to fit it as a garden. The hope of occupying as state tenants such homesteads and gardens might then be held out to men who proved their qualifications for country life, or the offer of a free passage to the colonies might be made to others who had fitted themselves for emigration.

If the former plan proved possible, then the plea which Mr. Booth puts forward might in some way be met. It is pathetic that, after searching the heights and depth of London life, after testing all the machinery, spiritual and secular, which is at work for relief, he should express as his hope, that some way "might be opened by the establishment of industrial communities which, lying midway between pauperism and independence, should realize the intention expressed by the word 'workhouse.'"

There are people in England, it must be recognized, who will never support themselves in the open market. They are either physically or mentally weak; they have, perhaps, been broken under the wheels of civilization. These people, in

the protection of a community, might live quiet lives, and produce at any rate something towards the support which, in some way or other, society has to provide. The management of such communities would be full of difficulties, but, as Mr. Booth says, it ought not to be impossible to bring up to date the old idea of a "workhouse" in which men and women might live as human beings at the level human sentiment recognizes as fitting.

But to return to the labour schools as a means of dealing with the unemployable. They are, it may be claimed, likely to be more efficient, as they are more human, than the deterrent means at present in operation. They provide every influence and appliance necessary to the health and progress of the inmates. They offer work by which men might strengthen themselves, keep up their homes, and develop the country's wealth and happiness. They also, by requiring that the inmates live in seclusion, impose a test which would keep a man from lightly throwing himself on the rates. What loafer would endure to be sent from the town, with its varying excitements, to face the possibility of education in the dull country? The loafer hates, above all things, the thought of being improved; and the school would be even more distasteful to him than the workhouse, where, at any rate, he has the fun of resisting the master's efforts to make him take his discharge. On the other hand, what honest poor man would not gladly endure loneliness, dullness, and work if, at the end, he could see himself able to earn a living and to save his children?

The indoor test, as it is called, may have been discredited by the humiliations imposed in workhouses, and by the character of the work imposed; but in principle it is right. There is no other condition by which to prevent the abuses which always attach themselves to relief works—such as the slack work, the preference for provided over sought work—or to the accumulation of labour where it is not wanted; and there is no other condition by which a solid determination can be proved and a weak will straightened. The schools offer an indoor test which is at once efficient and human.

It may be well, in conclusion, to put together what it is contended are the obvious advantages of the proposed scheme for meeting the needs of the present unemployable in a practical way:—

1. The scheme is no new departure in the relief of the poor. It is rather the adaptation of an old system to meet the demands of a more humanitarian age. Workhouses and casual wards already exist, but they are modelled on the lines of prisons. It is proposed that they be modelled on the lines of schools.

2. The scheme opening to every one a door of hope, there would no longer be reason for shelters, free meals, and casual relief. People of good will are now unable to endure the sight of the poverty they see, and they sympathize with the objection to go to the workhouse, from which no one comes out better fitted for work. They give, therefore, the sort of relief which experience has shown to be fatal to the poor, as it saps their self-respect, relaxes their energy, and makes them gamble their lives for the chance of a dole. Good-hearted people will never stop that relief so long as the casual ward is the only resort of the applicant, and till they stop such relief the unemployable will go on hanging to the skirts of our civilization. They will, it may be believed, stop such gifts when they know that there is a school, open to every one, where every one would be certain of human treatment, and be given a chance of self-help.

3. The scheme would relieve the labour market of a body of people who constantly interfere with the rate of wages, and the charity circle of applicants who constantly divert gifts from beneficial objects.

4. The scheme, while its chief object is the improvement of the individual, uses such labour as he can offer for the common good. One of its results would be that some waste land would be brought into cultivation, and a possible result would be the establishment of a colony such as that proposed by Mr. Booth.

5. The scheme opens a new avenue for personal service. The people isolated and secure in these schools would be ready for the friendly guidance of visitors able, out of the resources of

their heads, their hearts, or their purses, to give needful help. Long experience has shown that it is only "one by one" that the mass of human beings can be raised, and it may be claimed to the credit of this scheme that it so breaks up the mass of unemployable that each one may be reached as an individual by an individual, and each one brought within reach of the personal force of that friendship which is stronger than teaching or discipline to renew weak wills and make the unemployable useful members of society.

S. A. BARNETT.

## THIRTY YEARS OF REPUBLICAN GOVERNMENT— IS THE ECONOMIC ACTIVITY OF FRANCE DECAYING ?

IT is almost impossible for a stranger who is interested in the social and economic evolution of contemporary France to acquire exact and impartial information. The newspapers, with the exception of *Le Temps* and *Les Débats*, devote their columns to passionate diatribes or literary disquisitions, according to the cost of the paper and the number of its subscribers. The *Reviews*, with the exception of a few specialist papers, such as *L'Economiste Français*, in order to satisfy the tastes of a class of readers who think it a mark of culture to flout Democracy, are compelled sometimes to veto the least allusion to political problems, sometimes to become the interpreters of the despondent pessimism and the Bonapartist ambitions of their subscribers. As for the official documents, they are scattered among so many collections, crushed beneath such a mass of rubbish, printed in so ponderous a shape, that the foreign observer, surprised at his failure to find in the home of lucid logic statistics as well arranged as his own statistical abstracts, abandons the perusal of this wilderness of print.

There is, then, little reason for surprise if the partiality and shallowness of the judgements of a whole class of Frenchmen on a work of national importance has had an unfortunate parallel on the other side of the channel. Except, perhaps, in the United States, only a small minority has been able to recognize the marvellous efforts that have been made during thirty years of Republican government to create a new France, less aggressive and more cultured than the old, and, at the same time, more free, more just, more rich, and more businesslike. I

shall be happy, therefore, if, by a brief analysis of its industrial, agricultural, and commercial activity, I can reap a rich reward in the shape of a better appreciation of France on the other side of the channel.

It is best to begin the study of the economic life of Republican France from the year 1875. The four years previous to the acceptance of the present constitution are years of melancholy convalescence. All the resources of thought, all the national energies were consecrated to the task of giving mutilated, disarmed, and disorganized France a frontier, a government, and an army. When at last—thanks to the talents of some and the devotion of others, thanks above all to the marvellous recuperative powers of a race which can resign itself to misfortune without losing hope—the country had been protected from fresh dismemberment, economic activity resumed its normal course.

Before analyzing the agricultural, industrial, and commercial life of the reconstructed France, it may be well to measure its progress since 1875, to study its financial machinery, which shows in hard cash the results of the national work. The taxes on personal property, the annual returns showing the devolution of property on death, and the statistics of the savings banks give the historian three different instruments for gauging the poverty or wealth of a people.<sup>1</sup>

The taxes on personal property are, with the exception of the French rentes, derived from three sources—stamp duties, income tax, and transfer duties. We may disregard the tax on operations on the Stock Exchange, which was only imposed in 1893.

If we examine, first, the duties on various shares and on bonds issued by the *Crédit Foncier*, we find that, between 1875 and 1898, the income from these sources of revenue had increased by 6 millions of francs, while the total amount of the capital taxed had risen by 10,000 million francs.

<sup>1</sup> The statistics cited in this article are borrowed from *L'Annuaire Statistique de la France*, the *Bulletin de Statistique et de Legislation comparée*, and the *Economiste Français*; from two Blue-books, Cd. 1199 (1902), and No. 329 (1902); and from two remarkable studies, one by M. A. Neymarck—"Is France Ruining Herself?" (Paris, 1901), and another by M. E. Téry—"Economic History of England, Germany, the United States, and France, 1890-1900" (Paris, 1900).

Year.	Total income from stamp duties.			Capital taxed.		
1875 .. ..	11,700,000	..	..	20,000,000,000	..	..
1880 .. ..	14,400,000	..	..	24,700,000,000	..	..
1885 .. ..	17,100,000	..	..	29,800,000,000	..	..
1890 .. ..	17,000,000	..	..	30,200,000,000	..	..
1895 .. ..	17,000,000	..	..	28,000,000,000	..	..
1898 .. ..	17,600,000	..	..	29,900,000,000	..	..

The statistics of the 4 per cent. tax on the income from French personal property confirm these figures.<sup>1</sup> From 1875 to 1898 the taxed income had risen 508 million francs, and the product of the taxes from this source had more than doubled. M. Neymarck has asserted, without being contradicted, that these 508 millions represent an increase in capital of 12,000 millions.

Year.	Amount of the tax.			Income taxed. Francia.			Produce of the tax. Francia.		
1875 .. ..	3	per cent.	..	1,028,000,000	..	..	30,800,000	..	..
1880 .. ..	3	"	..	1,163,000,000	..	..	34,800,000	..	..
1885 .. ..	3	"	..	1,316,000,000	..	..	39,400,000	..	..
1890 .. ..	4	"	..	1,450,000,000	..	..	43,500,000	..	..
1895 .. ..	4	"	..	1,421,000,000	..	..	56,800,000	..	..
1898 .. ..	4	"	..	1,536,000,000	..	..	70,200,000	..	..

In 1899 and 1900, the income derived from the tax rose to 74 and 78 millions respectively, figures which have never previously been reached.

The taxes which affect transferable securities at the moment of their transference, namely, transfer duties on shares the holders of which are registered, and the annual duty on shares passing by delivery, justify the statements of economic writers and the opinions of MM. Neymarck and Téry, who declare that Republican France is steadily growing richer. The total amount of the taxed capital and the total income derived from the tax have both doubled.

Year.	Capital taxed.			Income derived from tax.		
1875 .. ..	9,042,000,000	..	..	20,000,000	..	..
1880 .. ..	12,784,000,000	..	..	30,000,000	..	..
1885 .. ..	14,561,000,000	..	..	32,000,000	..	..
1890 .. ..	15,989,000,000	..	..	35,000,000	..	..
1895 .. ..	16,700,000,000	..	..	37,000,000	..	..
1898 .. ..	18,228,000,000	..	..	40,000,000	..	..

<sup>1</sup> This tax affects neither the French rentes, nor foreign shares, nor private mortgages. By way of compensation, it touches the income of religious bodies, and of limited liability companies.

If we group together the evidence afforded by these different tests of financial activity, we arrive at the conclusion that, according to the statistics of stamp and transfer duties, the taxed capital has risen respectively from 20,000 millions to 29,900 millions, and from 9000 millions to 18,228 millions, having increased by 9000 millions in each case. The produce of the tax of 4 per cent. on income confirms very nearly this estimate of the increase in national capital, since between the same dates, 1875 and 1898, it shows a rise of 500 millions in the taxed incomes.

Let us verify these calculations by the aid of a different class of documents—the returns showing the devolution of property on death. From 1875 to 1899, the total sum, including both movable and immovable property, shows an increase of 2,513 millions, and the amount of the movable property, an increase of 1,686 millions. In 1899, the total was nearly 7000 millions; in 1869, the most prosperous and brilliant year of the Second Empire, it was only 3639 millions. This is shown by the following table:—

Years.	Total devolution. Millions of francs.			Personal property only. Millions of francs.		
1875 .. ..	..	4253	..	..	2037	..
1880 .. ..	..	5265	..	..	2477	..
1885 .. ..	..	5406	..	..	2622	..
1890 .. ..	..	5811	..	..	2889	..
1895 .. ..	..	5976	..	..	2939	..
1898 .. ..	..	5695	..	..	3036	..
1899 .. ..	..	6766	..	..	3723	..

M. Neymarck, separating the incomes subject to a tax of 3 or 4 per cent. from the returns of personal property, has capitalized them, and has arrived at the conclusion that their sum total has risen from 28,800,000 in 1875 to 38,200,000 in 1885, 40,900,000 in 1895, and 46,000,000 in 1899.

For thirty years France has been growing richer, but this increase in fortune has been scattered among a greater number of persons. From 1865 to 1895, the number of registered holdings of rentes rose from 1,165,000 to 5,096,000, while the average amount of stock held went down from 346 francs to 159 francs, and the number of stockholders increased from

550,000 to two millions. From 1870 to 1895 the total number of railway bonds and share certificates rose respectively from 310,000 to 686,000, and from 64,000 to 105,000, while the average holding fell from 34 to 32 and from 20 to 12. In 1870 the Bank of France had about 16,000 shareholders, holding on an average eleven shares each; in 1895 there were more than 28,000, and the average holding was six shares.

This progressive subdivision of national capital, on which M. Neymarck has published some interesting articles, is confirmed by the uninterrupted increase of the deposits in the savings banks. Under no other government has their progress been so steady and so real. From 1835 to the end of 1847, under Louis Philippe, the sum due to depositors rose from 62 to 358 millions, an average annual increase of 23 millions. From 1852 to 1869, under the Empire, the deposits increased from 245 to 711 millions, an average annual increase of 26 millions. From 1875 to 1899 they rose from 660 to 4336 millions, an average annual increase of 147 millions. Here are the figures in greater detail:—

Years.	Number of depositors.			Sums due to depositors. Millions.		
1875 .. ..	..	2,385,000	.. ..	660		
1880 .. ..	..	3,841,000	.. ..	1280		
1885 .. ..	..	4,937,000	.. ..	2211		
1890 .. ..	..	5,761,000	.. ..	2911		
1895 .. ..	..	6,498,000	.. ..	3395		
1899 .. ..	..	10,316,000	.. ..	4336		

From 1875 to 1899 the number of depositors had increased by 436 per cent., the number of deposits by 655 per cent. Such an increase in the national capital, divided among a great number of persons and daily increasing, can point to nothing else than an increase in economic activity. The increase in transferable securities translates into hard cash and banknotes the prosperity of our workshops and the fertility of our fields.

Now one would hardly expect to find such progress as this in the agricultural and industrial activity of France. The stagnation of its population, the crushing weight of its armaments, the keenness of its political disputes have certainly weakened such vigour as was available to enable her to cope with the crises through which she has passed, especially that of 1884, when the

destruction of her vineyards by the phylloxera was coincident with a general lowering of prices, which became necessary as her commercial position was threatened by the rivalry of Germany and America. But in spite of these reasons for inferiority and these germs of weakness, the economic position of France has improved generally since 1875. The expectations derived from financial statistics have been confirmed.

The circulation of money by means of the post, the railroad, and the sea, shows an extraordinary increase. The number of articles sent by parcels post increased from 743,439 in 1875 to 1,523,796 in 1885 and 2,046,311 in 1895. At the same dates the number of telegrams was respectively 7 millions, 26 millions, and 36 millions.

The activity of the railroads increased with their mileage.

Year.	Mileage. Kilometers.	Receipts in millions of francs.	Travellers, in millions.	Kilometric tons, in millions.
1875 .. ..	20,000 ..	863 ..	4,756 ..	8,136
1880 .. ..	24,000 ..	1061 ..	5,862 ..	10,350
1885 .. ..	30,500 ..	1058 ..	7,025 ..	9,791
1890 .. ..	33,500 ..	1153 ..	7,943 ..	11,759
1895 .. ..	36,300 ..	1263 ..	10,657 ..	12,898
1899 .. ..	37,200 ..	1482 ..	13,340 ..	13,790

The growing activity of the railroads coincided with the progress of inland navigation, and the millions of kilometric tons carried by river and canal increased at the dates indicated in the foregoing table to 1964, 2007, 2453, 3216, 3766, 4489. The maritime tonnage shared in this increase, and showed a regular progress: 13,400,000 in 1875; 18,600,000 in 1880; 18,000,000 in 1885; 21,900,000 in 1890; 22,100,000 in 1895; and 26,800,000 in 1899.

While the number of parcels transmitted by post, rail, river, and sea increased, the monetary circulation became more active. The silver articles sent by post in 1875, 1880, 1885, 1890, and 1895, represented respectively in francs 167,300,000, 484,200,000, 684,400,000, 740,205,000, and 805,200,000; while the sums passing through the clearing-houses steadily advanced.

<sup>1</sup> Kilometric tons are found by dividing the number of tons carried by the number of miles over which they are transported.

Years.	Clearing-house of the Bank of France and its branches.				The Paris clearing-house.			
	Millions of francs.				Millions of francs.			
1875 .. ..	29,819	..	..	..	2,210	..	..	..
1880 .. ..	32,713	..	..	..	4,084	..	..	..
1885 .. ..	30,367	..	..	..	3,923	..	..	..
1890 .. ..	43,330	..	..	..	4,731	..	..	..
1895 .. ..	52,472	..	..	..	4,916	..	..	..
1900 .. ..	102,447	..	..	..	6,948	..	..	..

If circulation in all its forms becomes more rapid and more abundant, economic activity is progressing. A certain proof is afforded us by the increase in the number of patents and licenses.

Year.	Licenses.		Licensees.		Patents.	
1875 .. ..	1,796,000	..	1,591,000	..	6,007	..
1880 .. ..	1,862,000	..	1,641,000	..	7,860	..
1885 .. ..	1,941,000	..	1,658,000	..	8,691	..
1890 .. ..	2,005,000	..	1,672,000	..	9,009	..
1895 .. ..	2,070,000	..	1,704,000	..	10,527	..
1900 .. ..	2,132,000	..	1,752,000	..	12,400	..

In twenty-five years the annual number of patents for ingenious discoveries has doubled. In 1900 we had 161,000 more commercial or industrial licensees than in 1875. These statistics are explained by the fact that, since 1876, the general commerce of France has increased by about 3000 millions, while its special commerce has increased by about 2000 millions.

Year.	General commerce.		Special commerce.		
			Imports.	Exports.	Total.
	Millions.		Millions.	Millions.	Millions.
1867-76 .. ..	8,464	..	3408	3307	6715
1877-86 .. ..	9,831	..	4460	3347	7808
1890 .. ..	10,292	..	4436	3753	8189
1899 .. ..	11,381	..	4518	4153	8671

But to grasp the turn of business it is better to fix one's attention on foreign trade. Let us look at the figures, particularly those of the last ten years.

Year.	Imports.	Exports.	Year.	Imports.	Exports.
	Millions.	Millions.		Millions.	Millions.
1875 ..	3672	4022	1896 ..	3798	3400
1880 ..	4907	3400	1897 ..	3956	3591
1885 ..	4215	3185	1898 ..	4672	3510
1890 ..	4423	3720	1899 ..	4518	4132
1893 ..	3853	3236	1900 ..	4697	4108
1894 ..	3850	3078	1901 ..	4369	4012
1895 ..	3719	3373	1902 ..	4415	4236

Our imports, which rose in 1893 to 3853 millions, reached their highest point in 1900 after some serious relapses, to fall to 4415 millions in 1902, a figure which is still 562 millions above that of ten years earlier. Our exports, which rose to 3236 millions in 1893, fall in 1894 to 3078 millions, the lowest figure for the ten years, and finally attain their maximum of 4236 millions in 1902. The gain for the ten years is 1000 millions. The increased value of the exports is double that of the imports.

If, after analyzing the satisfactory results of the last ten years, we go back to an earlier period, we find that the first years of the Republic were coincident with an economic crisis, which attained its maximum intensity about 1885. At the same date there is a fall in the figures which I have already quoted, in the amounts passing through the clearing-house of the Bank of France and its branches, and through the Paris clearing-house, in the maritime tonnage and the railway receipts. It was after this prolonged decline that protection increased the number of its adherents.

This short analysis of the economic activity of France would be incomplete, unless we took the opportunity of passing from general facts to study more closely the agricultural, industrial, and commercial life, in order to show the results of the abandonment of free trade.

By an examination of the imports and exports of food supplies at different dates, we get the following table:—

	1885. Millions.		1890. Millions.		1895. Millions.		1900. Millions.
Imports..	.. 1455	..	1445	..	1035	..	819
Exports..	.. 760	..	879	..	650	..	877
	- 695	..	- 566	..	- 385	..	+ 58

While in 1885 and 1890, before the adoption of protection, France bought a surplus of 695 and 566 million francs of food supplies; in 1900, only eight years after the abandonment of free trade, she had enough food to supply herself, and sold to the foreigner 58 million francs of the produce of her soil in excess of what she purchased.

These results are explained by the prodigious efforts which have been made to develop the cultivation of corn, to restore

the vines, and to develop the industrial use of beet root. I may be allowed to reproduce one of the four tables drawn up by M. E. Téry, and to summarize the three others.

				French production of corn in millions of hectolitres.		Excess of imports over exports.		Quantity consumed.		Average annual price of the hectolitre, France.
1884	..	..	..	114.2	..	14.8	..	129.0	..	17.76
1885	..	..	..	109.9	..	8.9	..	118.8	..	16.80
1886	..	..	..	107.3	..	9.8	..	117.1	..	16.94
1887	..	..	..	112.4	..	12.2	..	124.6	..	18.13
1888	..	..	..	98.7	..	15.5	..	114.2	..	18.37
1889	..	..	..	108.3	..	15.6	..	123.9	..	18.45
1890	..	..	..	116.9	..	14.5	..	131.4	..	19.05
1891	..	..	..	77.3	..	27.3	..	104.6	..	20.58
Average	..	..	..	105.7	..	14.8	..	120.5	..	18.26
1893	..	..	..	97.8	..	13.3	..	111.1	..	16.55
1894	..	..	..	122.5	..	16.5	..	139.0	..	15.21
1895	..	..	..	120.0	..	6.4	..	126.4	..	14.40
1896	..	..	..	119.7	..	2.2	..	121.9	..	14.82
1897	..	..	..	86.9	..	6.9	..	93.8	..	18.85
1898	..	..	..	128.0	..	26.2	..	154.2	..	19.90
1899	..	..	..	128.4	..	1.7	..	130.1	..	15.35
1900	..	..	..	114.9	..	1.6	..	116.5	..	14.77
Average	..	..	..	114.8	..	9.3	..	124.1	..	16.23
Difference between the two periods }				+ 9.1	..	- 5.5	..	+ 3.6	..	- 2.03

The table shows that for the ten years the annual production of corn in France has increased by 9,100,000 hectolitres; the net imports have diminished by 5,500,000 hectolitres; the quantity consumed has increased by 3,600,000 hectolitres. The average price of corn per hectolitre in the interior of France has fallen 2.03 francs.

"If for the past ten years," says M. E. Téry, "we have imported much less corn, it is because our national production has proportionately increased. The double result of this increase is—that the quantity of corn annually consumed has increased, a fact which shows that more white bread has been eaten in France, in spite of the fall in imports; and that the average price of the hectolitre, that is to say, of white bread, has fallen 11 per cent."

As for vine culture and its crises, there is also an increase of national production, and a corresponding decrease in imports.

Comparing the periods 1884-1891, and 1893-1900, the average annual output of wine increased 27,949 thousand hectolitres to 42,545 thousand hectolitres, while the average imports fell from 10,653 to 6919 thousand hectolitres. And if the average exports, instead of increasing, show a falling off of 605,000 hectolitres, it is because the amount of wine consumed in France shows an increase of 11,467,000 hectolitres. While the South, with energetic perseverance, was restoring its vines and increasing its average output by 14 millions of hectolitres, the North was drawing a marvellous profit from its cultivation of the beetroot.

The production of sugar increased amazingly. The average crop, which from 1877 to 1884 represented 342,845 tons of refined sugar, increased for the years 1884-1892 and 1893 to 1900 to 452,723, and 732,370 tons respectively. In these three periods the average foreign imports fell from 109 to 66 and 24 thousand tons: the colonial imports increased slightly (74, 94, and 96 thousand tons), exports increased to a great extent (180, 188, and 279 thousand tons), while the average price of 100 kilos of refined sugar duty paid fell (129·44 francs from 1877-1884, 103·95 francs from 1884 to 1892, and 103·02 from 1893-1900).

With the increase in the sugar industry coincided an increase in the production of alcohol. 2,086,000 hectolitres was the average for 1884-1891, against 2,358,000 for 1893 to 1900,—due almost exclusively to the use of molasses and beetroot: the averages for 1884 to 1891 being 637 and 692 thousand hectolitres; for 1893 to 1900, 792 and 827 hectolitres. The increase of alcohol derived from fruit (an increase of 124,000 hectolitres in the average for the two periods) was more than entirely counterbalanced by the diminution in alcohol derived from potatoes, which showed a decline of 142,000 between the averages of the two periods.

The development of scientific agriculture by the cultivation of the beetroot, the restoration of vine culture, the increase in the corn crop, an improvement in dairy farming due to the development of dairies and the spread of co-operation, and all the other signs of increased agricultural activity explain the fall in the average imports of food supplies from 1488 millions of francs in 1884 to 1891, to 1070 millions in 1893 to 1900;

while in 1901 and 1902 they were only 783 millions and 788 millions.

In spite of these results, there is no doubt that since 1875 agriculture in France has had to contend against too many adverse economic influences to show a satisfactory progress. The emigration to the towns encouraged by the easiness of communication, the growth of city habits acquired in the barracks, the rivalry of the richer and newer territories across the sea, the necessity of applying modern methods to agriculture, the development of free combinations, the necessity of organizing sales and purchases and insurances against professional risks—all these facts have caused a profound disturbance in rural France. Here and there may be seen signs of improvement in methods and customs, and the prosperity of a district is the reward for its adoption of new methods; but the movement everywhere beginning has not yet reached in all parts the same degree of intensity, nor produced the same results. When our small proprietors receive as complete a training as Danish peasants, they will be able to equal them. The machinery for agricultural co-operation is rapidly being organized, but it is not yet completed. Till then, French agriculture, in spite of the efforts of its corn, beetroot, and wine districts in Beauce, Languedoc, Picardy, and Artois, will never recover the prosperity it enjoyed in the middle of the last century.

If industrial activity has developed more rapidly, it is because it represents the continuation of an upward movement which began with the second Empire. Doubtless our foreign commerce has experienced in its exports the effects of the two crises about 1885 and 1892, which seriously affected English sales; thus French exports fell from 4022 million francs in 1875 to 3400 millions in 1880, and 3185 millions in 1885. They rose slightly in 1890 (3720 millions), but fell again in 1895 (3387 millions), only to rise again considerably above the total of 1875 (4152 millions in 1899 and 4236 millions in 1902).

We can find out the progress of industrial activity more easily if we strike an average for the two periods of 1884–1891, and 1893 to 1900, and we shall arrive at the same figures as M. E. Téry.

Millions of francs.	Annual average.				Difference between the two periods.
	1884-1891.		1892-1900.		
IMPORTS—					
Raw material .. ..	2201 ..	2393 ..	..	..	+ 192
Manufactured articles .. ..	598 ..	640 ..	..	..	+ 42
Articles of food .. ..	1488 ..	1076 ..	..	..	- 412
	<hr/>	<hr/>			<hr/>
Total	4287 ..	4109 ..	..	..	- 178
EXPORTS—					
Raw material .. ..	818 ..	927 ..	..	..	+ 109
Manufactured articles .. ..	1675 ..	1775 ..	..	..	+ 100
Articles of food .. ..	793 ..	755 ..	..	..	- 38
	<hr/>	<hr/>			<hr/>
Total	3286 ..	3457 ..	..	..	+ 171

These statistics show three important facts. For the two periods, imports exceed exports by 901 millions and 552 millions respectively. The commercial deficit has decreased by 349 millions. Then, while the purchases of raw material show an increase of 192 millions, the sales of manufactured articles show an increase of 100 millions.

These figures become more significant if we compare the value with the quantity of French exports.

	1884.	1892.	1900.
Value of exports (in millions of francs) }	.. 3232	.. 3461	.. 4109
Weights of exports (in millions of quintals) }	.. 47½	.. 67½	.. 85½
Average value of a quintal (in francs) }	.. 68½	.. 51½	.. 47½

The weight of our total exports shows an increase of 19,900,000 quintals between 1884 and 1892, and of 18½ millions between 1892 and 1900, and an increase of 38,400,000 quintals, or 80·84 per cent., for the whole period.

This important increase derives still more significance from the fall in prices. Let us use the same table as before for imports.

	1884.	1892.	1900.
Value of imports .. ..	4343 ..	4188 ..	4696
Weight of imports .. ..	228½	225½	232½
Average value of quintal ..	18½	18½	16½

Let us now compare, like M. Téry, the value of the commercial exchange of 1900 according to the values of 1884.

			Imports.			Exports.		Total.
1884 prices	..	..	5373	..	..	5851	..	11,224
1900	„	..	4698	..	..	4109	..	8,807

If the prices of 1900 had been exactly the same as those of 1884, the total value of our foreign trade would have risen in 1900 to 11,224 millions as compared with the 8,807 millions I have mentioned; and the balance between imports and exports, instead of being represented by a deficit in imports of 589 millions, would have shown a surplus of 473 millions in exports over imports.

Other figures show, with more force than these rather too ingenious statistics, the progress of France's commercial activity since 1875. These are the statistics of the production and consumption of coal, the development of motive power, and the expansion of the mineral trade.

The consumption of coal has increased to such an extent (24 million tons in 1875, 28 million in 1880, 30 million in 1885, 36 million in 1890, 38 million in 1895, 46 million in 1900) that the considerable rise in the output (from 16 million in 1876 to 33 in 1900) has not been able to keep pace with it. The average annual importation of coal for the period from 1893 to 1900 shows an increase of 626 million tons, compared with those in the period from 1884-1891.

The increase in the consumption of coal has naturally been accompanied by an increase in motive power. Instead of the 2,466,000 horse-power employed in France in 1875, France used, in 1880, 3,342,000; in 1885, 4,529,000; in 1890, 5,176,000; in 1895, 6,121,000; in 1900, 8,606,000. The increase is still more remarkable if we eliminate power used for purposes of traction by land or sea. French manufactures used, in 1885, 695,000 horse-power; in 1890, 863,000; in 1895, 1,163,000; in 1900, 1,791,000.

Without reviewing all branches of industry, we may take the mineral traffic as an illustration. The quantity of cast-iron produced has doubled since 1875. Instead of 1,448,000 tons in 1875, we have had successively, 1,725,000 in 1880, 1,031,000 in 1885, 1,962,000 in 1890, 2,004,000 in 1895, 2,714,000 in 1900.

The output of steel has trebled itself since 1885 (1885, 554,000 tons; 1890, 582,000 tons; 1895, 876,000 tons; 1900, 1,565,000 tons).

The statistics of particular industries confirm these general figures. For the past thirty years, while French agriculture was trying to satisfy the national consumption, industry developed its production so that it was led to look for outlets outside the country. It remains to consider who are the customers of France.

In spite of the persistent stagnation of our mercantile marine—the expenses of which, occasioned by the too rigorous regulation of labour and the nationality of the seamen, are not outweighed even by the repeated sacrifices of the budget—the activity of the French ports has sensibly increased. Although the average annual tonnage of ships carrying the French flag, arriving at or leaving French ports, has slightly decreased—1884–1891, 8,849,000 tons; 1893–1900, 8,451,000 tons; with slightly increased figures for 1901 (9,296,000 tons) and 1902 (9,285,000),—the total tonnage of vessels entering and leaving French ports has increased during the past twenty-five years. It was 20,911,000 tons in 1885, 23,260,000 tons in 1890; 22,494,000 in 1895; 31,496,000 in 1900. The increase has been maintained during the two past years (31,325,000 in 1901, and 32,104,761 tons in 1902).

Who has derived the profit from this increase? In the first place, the commerce between France and her colonies has increased in a remarkable manner. The belief that the only merchandise which France despatches to her possessions beyond the sea consists of guns and government officials is confined to England. Such a view cannot be supported in the light of the figures. Without repeating figures which I have given elsewhere as to the marvellous efforts the third Republic has made to supply its colonies with railways (in 1900 she had built more than 3200 kilometers of railroad), with banks and telegraphs, it may be sufficient to call to mind the fact that the entire commerce of our Empire, including Algeria and Tunis, which was only 850 millions in 1881, reached 1750 millions in 1901, having gained

900 millions. From 1887 to 1899 the share of France in Algerian commerce has increased from  $74\frac{1}{2}$  per cent. to  $83\frac{3}{4}$  per cent., in that of Tunis from 39 per cent. to 57 per cent., in commerce with other colonies from  $37\frac{1}{2}$  to  $47\frac{7}{10}$  per cent. The percentage of the commerce of France with its colonies has increased between 1887 and 1899 from  $53\frac{9}{10}$  per cent. of the total commerce to  $64\frac{1}{4}$ .

Nor does this difference represent the whole of the increase of French exports. The exports of France to other nations have increased to a remarkable extent. No doubt its exports to America (the United States, the Argentine Republic, Uruguay, Chili, and Mexico) have diminished, on a comparison of the average figures for 1884 and 1885 with those for 1899 and 1900, by  $14\frac{3}{4}$  per cent. But, by way of compensation, our exports to European nations, except England and Austria-Hungary, show an increase of  $6\frac{9}{10}$  per cent., and in some cases the increase is very considerable—Belgium 34 per cent., Switzerland 60 per cent., Russia 90 per cent., Denmark 19 per cent. If our exports to British colonies only show an increase of 25 million francs, our exports to Great Britain show an increase of 300 millions, that is,  $32\frac{7}{10}$  per cent.

It is certain that this advance loses its importance when it is compared with that of our rivals, and when the amount of French imports is compared with the total imports. In 1884–85 France supplied 11 per cent. of the total imports of European nations: 11 per cent. of Egyptian imports; 12 per cent. of the imports of the United States, the Argentine Republic, Uruguay and Chili; 5 per cent. of the imports of Japan;  $1\frac{1}{2}$  per cent. of the imports of the British Colonies; and 9 per cent. of those of the United Kingdom. In 1898–1900 the proportion of French imports, compared with the total imports in these various nations, was 7, 9, 9, 2,  $1\frac{1}{2}$ ,  $10\frac{1}{2}$ .

This stagnation is chiefly attributable to the rivalry of Germany, which imitates the thousand mechanical and artistic devices which form a specialty of French commerce.

Still the economic activity of France is less affected than is that of the United Kingdom by its European or American competitors. The share of Britain in European imports has fallen

from 19 per cent. (1884-1885) to 16 per cent. (1899-1900); in Egyptian imports, from 39 per cent. to 38 per cent.; in the imports of the United States, the Argentine Republic, Uruguay and Chili, from 26 to 21 per cent.; in Chinese imports, from 25 per cent. to 17 per cent.; in Japanese imports, from 45 per cent. to 25 per cent.; in the imports of its Colonial possessions, from 54 to 45 per cent. Just as the diminution in French exports loses its importance when compared with the diminution in English imports, so the efforts of France to develop its industrial life are brought into prominence when compared with similar efforts made in England. The quantity of coal consumed in 1900 shows an increase over the quantity consumed in 1883 of 48 per cent. in France, and 24 per cent. in England. The annual average of cast-iron produce from 1896 to 1900 exceeds the annual average of that produced from 1870 to 1874 by 108 per cent. in France, and 39 per cent. in England. The average exports for the period from 1896 to 1900 exceed those for 1880-1884 by 8 per cent. in France, and 6 per cent. in England.

These figures, which do nothing to diminish the economic superiority of the United Kingdom, can yet be quoted with some pride by those Frenchmen who are attached to Republican government owing to personal conviction as well as family tradition, and believe that its uninterrupted continuance for thirty-two years has given a powerful stimulus to all forms of national energy.

JACQUES BARDOUX.

SOME NOTABLE "KING'S MERCHANTS:"  
ORLANDINUS DE PODIO OF LUCCA.

ORLANDINUS or ROLANDINUS DE PODIO first comes to our notice, in the pages of the Patent Rolls, as one of two chief partners—the other being Luke or Lucasius de Luka (Lucca)—in the great company of Italian merchants "commorant in London,"<sup>1</sup> who financed the Crown during part of Henry III.'s reign and that of his son Edward. These were the Ricardi of Lucca, who were, as is well known, great Lombard bankers, having establishments in the principal cities of Europe, notably at Rome, Paris, and London. They were also great wool merchants, purchasing it for export from many of the great English monasteries,<sup>2</sup> and also traders in Flemish cloth, which they brought here for sale from Flanders.<sup>3</sup> They probably had warehouses and offices at Antwerp, Brussels, and other considerable places in the Netherlands; but their greatest "turn-over" was probably in England, where, as the king's bankers and creditors, they were permitted to farm the custom's revenue.

One of the earliest notices we have of them in Edward's reign is a writ to all sheriffs in favour of—

"Luke de Luka and Roland de Podio and their fellow-merchants of Lucca, appointed to be the keepers and bailiffs throughout the realm to receive the new custom of half a mark on every sack of wool . . . with power of inquiry concerning the said custom, attaching those who conceal and carry it away, delivering them when they have made satisfaction, and doing other things requisite for the business."<sup>4</sup>

The expenses connected with the collection of the customs were not small, and entailed a huge system of clerks, who

<sup>1</sup> *Patent Rolls*, 6 Ed. I., m. 11, June 12.

<sup>2</sup> *Ibid.*, 3 Ed. I., m. 19, June 20.

<sup>3</sup> *Ibid.*, 8 Ed. I., m. 27, Jan. 1 (1280).

<sup>4</sup> *Ibid.*, 8 Ed. I., m. 9, Oct. 12.

should receive it from the collectors, except where the collectors were the direct agents of the merchants who farmed these revenues. There was, of course, much evasion of duty, and a certain amount of risk and unpleasantness was involved in connexion with it. The onus and unpopularity attached to its collection had, of course, to be borne by the merchants. The Italians themselves were far from guiltless in trade matters, and were noted for their sharp practices. Before the close of the fourth year, for example, they had been convicted of exporting wool on their own account, contrary to the statute of Henry III. and of Edward I., for which they were in the following month pardoned—probably, as was usual, after the imposition of a considerable fine to the Treasury.<sup>1</sup> In January of next year the king caused an audit of their accounts to be rendered, so that we are able at the outset of the reign to examine their financial relations with the Crown. The order for it runs briefly as follows:—

“On Monday, January 20th, 4 Ed. I., at Winchester . . . having had a view of account with his merchants Lucasius Natal(is) and Orlandinus de Podio, citizens and merchants of Lucca, as well for themselves as their whole society, as well in divers deliveries of money by tale as in other things done by them in the Wardrobe and elsewhere at the king's order, from the time the king put into the port of Trapani on his return from the Holy Land in the first year, until his return to England, when the king's clerks, Philip de Wileghby and Thos. de Guneyns were administering the king's affairs in the Wardrobe, it was found that the said merchants had at various times delivered into the Wardrobe at divers places £23,364 4s. 2d. sterling. Also that when Robert, Bishop of Bath and Wells, the chancellor, was carrying on the king's affairs in England during his absence, they delivered to him a quantity of money as is contained in the following parcels . . . all which sums amount to £7687 13s. 8d. It was also found by view of the said account that from the time when Master Thos. Bek, king's clerk, was ordained keeper of the Wardrobe until Hilary, 4 Ed. I., that the above merchants paid into the Wardrobe £23,487 14s. 11d. All which payments of money, as expressed above, amount to £54,539 12s. 9d., of which it was found that they had received . . . £41,206 6s. 1d., so that there remains due to them

<sup>1</sup> *Patent Rolls*, Ed. I., m. 30, Nov. 26.

£13,333 6s. 8d., which the king promises to pay at London a fortnight after Easter next."

To complete this payment several assignments of moneys followed, notably the "fifteenth" from York county, and the same from the counties of Notts, Derby, Leicester, and Warwick. Early in 1277 Luke de Luka went beyond seas, and Orlandinus was left with power of attorney in his place for a year. Shortly after this, Luke de Luka died,—in November, 1279, he is referred to as "deceased," and from this time onwards Orlandinus de Podio assumed the chief place in the society, which was subsequently known by his name alone.

The accounts of the Ricardi for the next few years seem to be nothing other than disbursements of the king's money, which passed through their hands. As there are public as well as private payments it is of interest to notice briefly such as have come down to us in the records. Among these were to the king's creditors in Paris;<sup>1</sup> to the king himself in Paris;<sup>2</sup> to the king's creditors in Gascony<sup>3</sup> and Italy;<sup>4</sup> to various other merchants of Pienza<sup>4</sup> and Lucca<sup>5</sup> for loans; and to a variety of persons their debts. This latter list, which is given in some detail,<sup>6</sup> throws a curious light on the financial system of the period, for it shows the foreign merchants in a position of supreme importance, dealing out their fees and salaries both to the greatest nobles and to the highest officials in the land. We are, of course, not surprised to learn that the Ricardi paid the royal debts to foreign merchants,<sup>7</sup> or individual creditors often residing abroad, as in the case of £20,000 to the Duke of Lorraine, upon the marriage of Margaret, the king's daughter, with John, son and heir of the said duke;<sup>8</sup> nor is it surprising that they should, by their foreign agents, have satisfied the

<sup>1</sup> *Patent Rolls*, 1 Ed. I., m. 19, Jan. 26 (1273).

<sup>2</sup> *Ibid.*, 2 Ed. I., m. 18, June 4.

<sup>3</sup> *Ibid.*, 3 Ed. I., m. 17, June 24.

<sup>4</sup> *Ibid.*, 4 Ed. I., m. 12, July 26; and 5 Ed. I., m. 21, Feb. 7.

<sup>5</sup> *Ibid.*, 4 Ed. I., m. 11, Aug. 14.

<sup>6</sup> *Ibid.*, 4 Ed. I., m. 3, Nov. 13.

<sup>7</sup> Cf. to the Friscobaldi and others for loans to the king, *Patent Rolls*, 5 Ed. I., m. 21, Feb. 7; and 7 Ed. I., m. 13, July 7; and, again, 8 Ed. I., m. 3, Nov. 5, etc.

<sup>8</sup> *Ibid.*, 7 Ed. I., m. 25, Jan. 24.

needs and claims of the king's envoys to Paris<sup>1</sup> or Rome.<sup>2</sup> It was also natural that, as the king's privy purse, they should pay the receivers of the king's alms,<sup>3</sup> and also the expenses in connexion with such royal undertakings as the "works" at the Tower of London,<sup>4</sup> at Westminster,<sup>5</sup> Windsor,<sup>6</sup> and even at the Castle of Dover.<sup>7</sup> It was, further, natural they should pay the king's wine bills,<sup>8</sup> and such annual charges in the nature of fees or pensions as the king made to certain persons residing abroad, notably to the Count of Flanders,<sup>9</sup> and the Vicomte of Tartas.<sup>10</sup> But what is assuredly strange and puzzling is the account of other payments made by these merchants, which from their feudal or constitutional character one would have supposed to have been made at the Exchequer in the ordinary course of Wardrobe or Treasury routine. One of these—that made to the Abbess of Fontevrault—is mentioned as being due at the Exchequer.<sup>11</sup> Why, then,—one is disposed to query,—was it not paid there?

The only possible answer to such a query is that the Treasury was empty, or nearly so, otherwise it is difficult to account for such extraordinary payments as these—to the king's officers on the Welsh marches,<sup>12</sup> or to Roger le Bygod, Earl of Norfolk, Marshal of England, for the Welsh expedition;<sup>13</sup> to the constable of the Tower;<sup>14</sup> to the warden of the Cinque Ports<sup>15</sup>—being made by the king's merchants instead of at the Exchequer as was usual. But if these payments are out of order, how much more

<sup>1</sup> *Patent Rolls*, 5 Ed. I., m. 6, Aug. 9.

<sup>2</sup> *Ibid.*, 6 Ed. I., m. 20, Feb. 11.

<sup>3</sup> *Ibid.*, 6 Ed. I., m. 16, May 28; and *ibid.*, m. 3, Nov. 6; 7 Ed. I., m. 21, Ap. 18.

<sup>4</sup> *Ibid.*, 6 Ed. I., m. 20, Feb. 16.

<sup>5</sup> *Ibid.*, 5 Ed. I., m. 18, May 1.

<sup>6</sup> *Ibid.*, 5 Ed. I., m. 22, Feb. 6.

<sup>7</sup> *Ibid.*, 6 Ed. I., m. 20, Feb. 16.

<sup>8</sup> *Ibid.*, 5 Ed. I., m. 14, May 27; 6 Ed. I., m. 9, June 26; 8 Ed. I., m. 14, June 10, etc.

<sup>9</sup> *Ibid.*, 8 Ed. I., m. 12, June 10.

<sup>10</sup> *Ibid.*, 8 Ed. I., m. 8, July 20.

<sup>11</sup> *Ibid.*, 4 Ed. I., m. 3, Nov. 13.

<sup>12</sup> *Ibid.*, 6 Ed. I., m. 24, Jan. 18.

<sup>13</sup> *Ibid.*, 5 Ed. I., m. 22, Feb. 7.

<sup>14</sup> *Ibid.*, 5 Ed. I., m. 17, May 6, etc.

<sup>15</sup> *Ibid.*, 7 Ed. I., m. 24, Jan. 25.

amazing are those made to the very Exchequer officials themselves by the Lucca merchants: thus to the king's clerks their fees;<sup>1</sup> to the spigurnel his salary;<sup>2</sup> to the justices of the Jews,<sup>3</sup> the justices of the bench,<sup>4</sup> and the judges, their fees;<sup>5</sup> to the remembrancer<sup>6</sup> and barons of the Exchequer<sup>7</sup> their salaries; and last, and most astounding of all, to the chancellor of the Exchequer himself, his salary!<sup>8</sup>

There can only be one explanation of this state of things: namely, that the finances of the kingdom had been so exploited by Henry III. that the Crown was practically bankrupt, and foreign money-lenders had to be invited to put the fiscal system of the country on a workable basis.

The Italian bankers knew well enough that, with due precautions, English ventures were a safe investment for their money. The young king's personal character stood high for integrity, and the country possessed plenty of potential wealth which only needed exploiting to yield a rich return. Therefore the young monarch Edward received numerous overtures immediately upon his return from the Holy Land, indeed before; for from the time, as the records say, when "he put into the port of Trapani," the Ricardi of Lucca advanced him loans secured upon the pledge of the revenues or the royal jewels.<sup>9</sup>

Of course there was always an element of risk in such loans, but, if successful, the Italian merchants stood to make enormous fortunes out of the Crown's needs. They charged an enormous interest, which was paid them, not ostensibly as usury, but in large sums given them as remuneration for losses and delay in repayment. Also their outlay was necessarily very great, owing to the time and labour spent in collecting the customs at the various ports all over England and Wales, and in Ireland,

<sup>1</sup> *Patent Rolls*, 5 Ed. I., m. 27, Dec. 16.

<sup>2</sup> *Ibid.*, 7 Ed. I., m. 25, Jan. 21.

<sup>3</sup> *Ibid.*, 7 Ed. I., m. 22, Mar. 3.

<sup>4</sup> *Ibid.*, 5 Ed. I., m. 26, Dec. 27.

<sup>5</sup> *Ibid.*, 6 Ed. I., m. 2, Nov. 8.

<sup>6</sup> *Ibid.*, 7 Ed. I., m. 18, Ap. 28.

<sup>7</sup> *Ibid.*, 5 Ed. I., m. 24, Jan. 25; 6 Ed. I., m. 9, June 25; 7 Ed. I., m. 26, Dec. 4.

<sup>8</sup> *Ibid.*, 5 Ed. I., m. 24, Jan. 25.

<sup>9</sup> *Patent Rolls*, 9 Ed. I., m. 26, Feb. 17.

where either a branch or a certain one of their companies had the collection and control of the customs;<sup>1</sup> as also in the maintenance of their foreign banks and offices, upon which so many calls were made almost daily for the requirements of the king's foreign envoys. Edward was obviously cognizant of their great financial ability, and, as the economic needs of the nation's expanding commerce called for an improved monetary system, he confided to Orlandinus de Podio the reorganization of the Exchange and of the Mint.<sup>2</sup> Whether as a safeguard against possible speculation, or by way of apprenticing one of his chief citizens to the moneyer's art and business, the king associated the Mayor of London, Gregory de Rokesle,<sup>3</sup> with the great Lombard in the management.

Gregory and Orlandinus worked together from 1279 till 1281, when Orlandinus retired, leaving Gregory de Rokesle in sole charge. During these years of their partnership the whole fiscal system of the country was overhauled; the archbishop's mint and the exchange of Canterbury were taken over or leased from the archbishop,<sup>4</sup> and linked to that of London, and all the other local exchanges, of York,<sup>4</sup> Bristol,<sup>4</sup> Lincoln,<sup>4</sup> Newcastle-on-Tyne,<sup>5</sup> and Ireland,<sup>6</sup> were associated with and put under the management of London. Thus, the keeper of the Exchange of London was also the keeper of the exchanges throughout England, Wales, and Ireland.<sup>7</sup>

This period of three years, during which Rokesle and Orlandinus de Podio worked together at the Exchange, was

<sup>1</sup> Cf. *Patent Rolls*, 4 Ed. I., m. 10, "Mandate to the society of the merchants of Lucca in Ireland, to render their account of the new custom on wool and hides before the treasurer of Dublin, in the exchequer there, twice a year for audit, so that at the end of the year the treasurer can send a transcript to England;" and also 8 Ed. I., m. 19, May 9.

<sup>2</sup> *Ibid.*, 7 Ed. I., m. 24, Feb. 6.

<sup>3</sup> *Ibid.*, 7 Ed. I., m. 3, Nov. 13. "Ratification of a demise made by J[ohn], Archbishop of Canterbury, for a term of three years to Gregory de Rokesle and Orlandinus de Podio, . . . of three dies with the exchange and other appurtenances thereof at Canterbury."

<sup>4</sup> *Ibid.*, 8 Ed. I., m. 3, Nov. 5.

<sup>5</sup> *Ibid.*, 9 Ed. I., m. 16, May 23.

<sup>6</sup> *Ibid.*, 9 Ed. I., m. 27, Jan. 18 (1281).

<sup>7</sup> Cf. John de Sandale, *Ibid.*, 28 Ed. I., m. 20 (sched.), Mar. 14.

marked by one or two novel departures and undertakings. Two new exchanges were erected in the country—one at Chester,<sup>1</sup> and another at Oxford, for the convenience of the scholars there.<sup>2</sup>

"Mandate to Gregory de Rokesle and Orlandinus de Podio, keepers of the Exchange of London, in repetition of a previous mandate, to cause to be sent to Oxford by some trusty merchant, £3000 of the new money at present in their custody, to be exchanged for the advantage of the scholars there, which has been neglected; to provide such a merchant who will go to Oxford without delay, to exchange the money there, as the said Gregory and Orlandinus shall enjoin on the king's part; and to deliver the said sum to the said merchant, and to two of the Masters of the University of Oxford, who will be sent to them, according to the king's injunctions, to be exchanged by the said merchant in the said town, so that the scholars of that University have the preference over others, as is just, in the said Exchange; and the sheriff of Oxford is commanded to give safe conduct to the said merchant and Masters for the conveyance of the said sum to the said town."

It is, therefore, obviously due to the management of the Ricardi of Lucca—one of whose agents was appointed, doubtless, in London by Orlandinus, then head of the firm—that the Oxford Exchange was first organized upon a mercantile basis in 1280.

The "new money" referred to in this writ was the fresh coinage which, by the king's orders, was issued in 1278, under the superintendence of Master "William de Turnemire of Marseilles," master of the Mint. The dies for the new money when completed were delivered to—

"Gregory de Rokesle, mayor of London, and Rolandino de Podio, the keepers of the Mint, who, on the 17th of May, 1279, took an oath before the barons of the Exchequer for the due performance of their office."<sup>3</sup>

This coinage was supposed by Ruding to be the first issue of "round" money in the kingdom. Other merchants of the firm appear to have had a very close connexion with the Mint, for a certain "Alexander de Luka, merchant," is referred to in 1280,

<sup>1</sup> *Patent Rolls*, 9 Ed. I., m. 30, Nov. 22; and *ibid.*, m. 10, July 12.

<sup>2</sup> *Ibid.*, 8 Ed. I., m. 21, Mar. 14.

<sup>3</sup> Ruding, *Annals of the Coinage*, ii. p. 93, edit.

as receiving 25 marks from Orlandinus and Gregory—"granted him by the king for his labour on the king's money." Was he a fellow-worker with, or a successor of William de Turnemire of Marseilles—referred to by Ruding, one wonders? In July, 1281, yet another Lucca merchant, a certain "Surnak de Luka," is mentioned as "master of the Mint," to whom the keepers of the Exchange—Gregory and Orlandinus—are required to pay £25 of the king's gift. In January, 1281, the aforementioned Alexander de Luka, "merchant," was appointed master of the mint in Dublin and keeper of the exchange of Ireland. These several appointments of other merchants of the firm apparently closely preceded Orlandinus de Podio's own retirement, which is notified only a few days after the reference to Surnak de Luka, namely, on July 15, 1281, as follows:—

"Whereas Orlandinus de Podio, merchant and citizen of Lucca, keeper of the Exchange of London and Canterbury, having rendered his final account before the council up to the present day, and Gregory de Rokesle, keeper of the same Exchange in the same places, has charged himself with all the arrears of the said Orlandinus. . . . The king acquits the said Orlandinus and his heirs and executors of all could be exacted from him on account of the said Exchange."

One of the notable payments made by these Ricardi for the king is that in 1280, made by them to the proctors of the king's merchants of England and Ireland, of £1000 due to Guy, Count of Flanders, but transferred by the king to his English merchants—through the agency of the Italian merchant bankers—for the Flemish arrest, and in part compensation of their losses by the same.

But though Orlandinus de Podio retired from the business of the Exchange, he does not appear to have given up his great banking business here, as several notices of loans still occur from time to time during the next few years of the reign. Thus, in January, 1285, he and his fellows received a mandate to pay Roger Bygod, Earl of Norfolk, Marshal of England, 1000 marks in recompense of his damages and of his services in the king's army in Wales.<sup>1</sup> In May this year, Orlandinus and his company

<sup>1</sup> *Patent Rolls*, 18 Ed. I., m. 30, Jan. 1.

were receiving the arrears of the Fifteenth, of the Twentieth, and of the Thirtieth—which were to be paid by their hands to divers merchants to whom the king was bound. In December we come upon a notice of interest—a safe conduct, for one year, for Orlandinus de Podio, going beyond seas on the king's affairs.<sup>1</sup> This was probably some ambassadorial work at the court of Rome, such as the great Lombard merchants occasionally undertook for the king. In February, 1286, he is again referred to as one of the receivers of the Twentieth, and Fifteenth.<sup>2</sup>

An account of their loans to the king is furnished by an entry in the Patent Rolls for August, 1289, as follows:—

"Acknowledgment of the king's indebtedness to Richard Guidicionis, Orlandinus and Henry de Podio, brothers, and their fellows, citizens and merchants of the Society of the Ricardi of Lucca, for loans advanced since his last leaving the realm, that is from 13th May, 14 Ed. I., to the present date (Aug. 1289), amounting to £380,609 5s. 6d. *black money* of Tours, and a further sum of £12,632 19s. 6d. sterling, received by Master W. de Luda, keeper of the Wardrobe, with promise to repay the same at Easter, and pledging, in case of the king's death, the revenues of the king in the Duchy of Aquitaine, Bordeaux, and the Bordelais, Agenois, the district of Saintonge and elsewhere in Gascony."<sup>3</sup>

In June, 1290, Orlandinus went beyond seas, nominally for two years. Evidently more ambassadorial work at the Vatican was his object, as in November of this year are read of him and other merchants of the Ricardi receiving 5000 marks payable at the Exchequer "for their services at the court of Rome."

The last references to Orlandinus de Podio occur in the Patent Rolls of 1293 and 1294. The first of these<sup>4</sup> is the confirmation of a demise for nine years *by* J. de Sulleye, and Orlandinus de Podio and fellows, merchants of Lucca, to Walter de Langton, king's clerk and keeper of the Wardrobe, of all that he (?) had in the manor of "Dersete." The second and last of these is a promise to repay Orlandinus and his fellow-merchants "dwelling in London," within two months, £10,000

<sup>1</sup> *Patent Rolls*, 14 Ed. I., m. 26, Dec. 7.

<sup>2</sup> *Ibid.*, Feb. 21, m. 21 (1286).

<sup>3</sup> *Ibid.*, 17 Ed. I., m. 12 (sched.), Aug. 12.

<sup>4</sup> *Ibid.*, 21 Ed. I., m. 3, Nov. 4.

sterling, received between the 1st of August, 21 Ed. I., and the 18th of November following, by Walter de Langton, keeper of the Wardrobe, for the expenses of the Household.<sup>1</sup>

Of personal notices of Orlandinus de Podio, I have found none affording any especial interest. Notwithstanding his romantic name of Roland, no incident of adventure are associated with his career in the contemporary records. Although it is not only possible but highly probable that the great Italian merchant had his adventures numerous and exciting, hairbreadth escapes alike from land and sea robbers, or from shipwreck, such as were common to the travellers of those times—yet none of the kind are recited in the entries which now remain. Now and again we get a notice indicating that he travelled up and down the country buying wool from various abbeys, as when, in 1277, we read of a—

“safe conduct for Orlandinus de Podio, king’s merchant, and his men, bringing twenty sacks of wool to Chester, which he bought of the Abbot of Aberconewey.”<sup>2</sup>

As I have previously mentioned, the Lucca merchants, in common with other Italian companies, were not always beyond the suspicion of fraud, and more than once had to be pulled up for sharp practices, notably for exporting wool contrary to the statute,<sup>3</sup> and for exacting excessive custom both in Ireland<sup>4</sup> and from Spanish merchants at Portsmouth.<sup>5</sup> In an entry of the Close Rolls we find Orlandinus coming forward to offer bail for two merchants of Lucca, who had been arrested in Ireland on the charge of clipping the king’s money.<sup>6</sup> Let us express the hope that the great Lombard merchant himself was innocent of such malpractices, and that these were offences committed without his cognizance and by agents residing beyond his immediate control.

Alice Law.

<sup>1</sup> *Patent Rolls*, 22 Ed. I., m. 25, Jan. 3.

<sup>2</sup> *Ibid.*, 5 Ed. I., m. 1, Nov. 15.

<sup>3</sup> *Vide supra*.

<sup>4</sup> *Patent Rolls*, 4 Ed. I., m. 1, Nov. 18.

<sup>5</sup> *Ibid.*, 7 Ed. I., m. 28d, Jan. 4.

<sup>6</sup> *Close Rolls*, 7 Ed. I., m. 6, May 14.

## THE VALUE OF SOCIAL CLUBS FOR WORKING MEN.

THE history of working-men's clubs is the history of an enthusiastic enterprise soon followed by a rather serious reaction. At one time, when they were in the heyday of their popularity, they were regarded as a sort of talisman to bring about social progress in every direction: no parish could consider that its organization was complete without them, and no hopes were too high for the success which they were about to achieve. Some twenty years ago, then, large clubs were formed in many parts of London, with splendid premises and elaborate organizations. But at the present day, when few of them have even come of age, men are beginning to ask whether these clubs have fulfilled the high hopes of their founders; some even go so far as to doubt whether they possess any usefulness at all, and it is not uncommon to find a parson ready to write "Ichabod" over a working-men's club which was once the pride of his parochial organization. It is the old story over again: we set out amid the glamour of romance, and in the end are rather surprised, and perhaps even discouraged, to find that the conditions which we wished to reform are far more stubborn than we had imagined.

Now, it should have been recognized from the first that clubs will not of themselves bring about either a social or a religious millennium, and the reaction against the club system is to a large extent due to the fact that we expected too much from them. The mere organization of men for social purposes does not necessarily mean that they will be raised to a higher moral standard, especially when we remember that the members of such clubs are in the majority of cases drawn from districts where there is very little of the ideal, and where there is no very keen desire after a wider and higher life. Moreover, it

should have been clearly understood that it is not methods, but men, that win men. A particular method or system is merely an instrument in some person's hand; if the instrument be used well and wisely, success will follow, while lack of care and wisdom will no less certainly lead to failure. The real matter of importance, therefore, is, not the founding, but the management of a club. And this, like all other work that is really worth doing, has its special problems and difficulties. The man in charge of a club needs a great deal of humility and readiness to learn; he requires an ample stock of patience, not easily disheartened in the bitter school of experience; and, above all, he should possess real strength of character, if personal influence, the great means of success, is really to tell. A club is simply a collection of men, who have been brought together, not only for recreation and amusement, but also for a higher purpose; and the realization of that special purpose depends in great measure upon the personal influence of the manager, and upon his capacity to exert an influence on the individual members, and so to create a sound and wholesome tone in the club society.

A club, then, may become a real power for good. And, without in any sense claiming a great knowledge of clubs, or a very lengthy experience in their management, I am glad to comply with a request to say something both of the aims and hopes, as well as of the difficulties and problems connected with social clubs for working-men. Boys' clubs—except incidentally—will not be mentioned in this article, partly because they require a separate and distinct treatment, about which a good deal has already been written, and partly because few persons could be found either to question their need, or to doubt the splendid work which such organizations are doing in all parts of London and our other large cities.

What, then, should be the aim and purpose of a Men's Club? The main aim and purpose of a Men's Club—which, in my opinion, is quite enough to justify the existence of such clubs—is to supply healthy enjoyment and recreation for those whose opportunities in that direction are very strictly limited. Let any one try to realize for a moment the lives of thousands of

men and lads in a great city like London, who go off morning after morning to some occupation, which is nearly always laborious, and very often terribly monotonous; and then consider the needs of these men when their day's work is over. Is it strange that they should seek some form of recreation or excitement after the toil and monotony of the day? The object of a club is to provide this enjoyment and recreation in a healthy atmosphere, free from those temptations which surround so much of the amusement which can be found ready to hand in our large cities. The public-house, in an ideal state of society, might partially supply this need; but, in the present state of affairs, no one who knows what he is talking about would advise a young man to spend his evenings in a public-house. And there are worse places than public-houses. The drinking-clubs, which often bear, and sometimes disgrace, the names of the great political parties, are often the greatest source of evil in a working-class district.

Again, we must bear in mind the wretched size of many of even the better houses which are occupied by our industrial population. Certainly many a man finds the greatest delight in his home and family, though even the happiest of them requires some place where he can meet his friends, and enjoy a game, or listen to a song, while perhaps his wife is putting the children to bed or clearing up his supper. If he has a club to go to, she may complain if he goes too often, or stays there too late; but at any rate, as wives have said, "If he goes to the club, I know where he is."

Moreover, there are hundreds of young men who, though not of a sufficient age or position to marry, rush headlong into an early marriage, because they want "some place more their own" than the common family kitchen or parlour. This evil, which is only too common, is largely met by a club, and there is, without doubt, a great deal of truth in the remark of a London county councillor, who said that "if Oxford House had done nothing else, it had, at any rate, raised the marriage-age for Bethnal Green."

Here, then, is a perfectly legitimate purpose for social clubs.

They serve as necessary places of recreation for the men, and especially for the young men, of the district; and by means of numerous organizations—such as gymnastic, boxing, cricket, football, billiard, chess, and whist clubs—they endeavour to provide some kind of healthy and recreative amusement to suit the tastes of all comers. In this manner, as Mr. C. Booth says of the Oxford House clubs, “pleasure and interest are added to a thousand lives.” The spirit of keenness and energy over the games and sports may be fostered by competitions with other clubs, as is done on a large scale by the “Federation of Working-men’s Clubs,” with its centre at Oxford House, or by the “Club and Institute Union,” a still larger organization.

With regard to the expense of social clubs, it is obvious that they should aim at being self-supporting. They should reckon to pay at least a nominal rent for the club premises; they should be responsible for internal repairs, and for the purchase of any new games or furniture after the initial outlay; and they should maintain the club and its various activities in working order. The main sources of revenue are entrance fees and subscriptions, besides payments for the use of billiard-tables or special games, and any profit that may be made by the sale of refreshments, or through club entertainments. It is no easy matter, however, for a well-appointed club to pay its way. To secure financial soundness there must be a sufficient number of members, in accordance with the size of the premises, and the scale on which the “plant” has been laid down; and the general management must be sufficiently enterprising and attractive to induce the members to attend the club regularly, and patronize its institutions.

Of course it is always necessary to keep a careful watch against the evils of betting and gambling, which beset all forms of sport outside the club. This is not always an easy matter, especially if the club be of some size, and the feelings of the members on such questions not quite what they ought to be. For this reason, many club managers find it necessary (while allowing a real self-government to the members themselves in the form of an elective committee) to keep the club premises in their own possession, so that at any moment they may be

able, on their own authority, to get rid of an undesirable clique, or to insist on some reform being carried out, in order to save the club from that not uncommon danger of "getting out of hand."

There is no doubt that clubs of this purely social and recreative character are especially useful for the poorest classes of the community; yet the history of nearly all clubs is that of a rough beginning, and a rather "swell" ending. That is to say, a club begins by attracting the poorer men of a district, becomes almost too successful, and, as the original members become smartened up, attracts a better class, possibly from a distance; so that, finally, the club may be no longer patronized by the particular type of men for whom it was originally intended. It is, perhaps, natural that the better class of men should crowd into a good club, particularly if they have no other provided for them; and the real solution of the difficulty probably lies in the direction of providing a club for each class in a particular district, but keeping the rougher club, at any rate, both small and strictly local. The necessity for care in this respect is obvious when one realizes that the lower one gets in the social scale, the more do those temptations increase which clubs are founded to combat. And although I have no doubt that great good is done by clubs for the better class of working-men, yet a club for genuine "labourers," such as has recently been founded in connexion with Oxford House, does more than anything else "to meet the special needs of the district." There is no reason, however, to attempt any disparagement of the practical value of the ordinary kind of rather "respectable" club, as, for instance, Mr. Booth is somewhat inclined to do. For the very "respectability" of a club is often a proof of the good work which it has done. Many a young man has learnt to be neat and tidy, to get and keep a job, and to save his money, through the training which he got as a member of a club; and there are many who, as an old club member was once heard to remark, "come in with chokers, and go out with collars."

We can, therefore, rightly expect that a club, which is founded mainly for recreative purposes, will have a positive, as well as

a negative, influence for good; it will not merely keep its members from evil, but will also help them, perhaps unconsciously, to a better and higher life. Where the tone of a club is really sound, it cannot but follow that the members' ideas on such subjects as gambling, intemperance, swearing, and the like, will be distinctly raised. The very fact that so much of the success of a club must depend on the members themselves—many of whom serve on the general committee, or on some of the sub-committees, or in some way or other work for the good of the club—is apt to engender a feeling of individual responsibility for the club's good name, and so to induce a man to take a more active and intelligent interest in the great questions which concern the national welfare. At a time when so many labour leaders and others are complaining of the sad lack of interest in social problems which is shown by the bulk of the working classes, surely a club, where some little training in social responsibility is easily given, cannot fail to be of some real service. Some critics, it is true, complain that clubs do not produce any sense of brotherhood; but that is not the fault of the club, but of the management. It is, of course, particularly difficult to provide the right sort of effective guidance for a large club. In many cases large clubs draw their members from a great distance, who have little or no local interest, and are apt to form cliques amongst themselves, with unfortunate results upon the general life of the club society. In a large institution, too, it is an exceedingly difficult matter for those in authority to get to know the new-comers and to make them feel at home; and consequently, though many new members may be joining, many others are continually dropping out. This entails a floating population, which must always hinder the development of a sound *esprit de corps* amongst the members; in fact, without a large staff of managers, with both time and ability at their command, a large club is not likely to be a satisfactory experiment.

This question of the contact between managers and members becomes still more important if the aim of the club be to draw men to take an interest in such matters as education or religion.

In order to exert a real influence on men, especially in the direction of religion, we must deal with individuals rather than with a crowd. For this purpose, therefore, a small club is far more likely to bring success than a large one. The choice lies, so to speak, between the deep bucket and the shallow bath; in the former the water is deeper, in the latter the surface is wider. So it is with clubs; if the club be large, a greater number of men are brought within range, but a smaller institution will probably mean a deeper influence. In any case such influence can only be the outcome of a great deal of patient and plodding work, the result of real friendship between manager and members. Here, again, the perseverance of the manager and the regularity of his attendance are of the greatest importance. Many of our settlement clubs, for example, are weak in this particular respect, because they are often under the control of men who cannot reside for more than a year or eighteen months. Nor can we depend on the parochial clergy to supply the continuous service which is required; most of them already have so much else to do that their influence in the club cannot be very effective, for their presence there may be nothing more than an occasional visit.

Some of the clergy, indeed, feeling the difficulty of gaining a religious influence in a purely social club, have founded so-called "Test Clubs" on a definitely religious basis. Test clubs for boys, where the test is not attendance at church, but at a Bible Class, are probably the best kind of parochial boys' clubs; but there is no evidence to show that the same system would work well amongst men. Perhaps the best plan is, first, to establish some religious organization for men, such as a Men's Service, Bible Class, or Guild, and then to found a social club for the benefit of those who are regular attendants. This system to a great extent gets rid of the idea of bribing the members to come to the service or class, as the case may be, by means of the attractions of the club, whilst the subsequent establishment of a club helps to keep the class together.

The Rev. J. Watts-Ditchfield, the well-known worker amongst men, after organizing a most successful men's service at St.

James-the-Less, Bethnal Green, went on to found a club for the use of the members. The club is restricted to those who attend the service, and the committee of the service form the committee of the club. The club has hardly existed for a sufficient length of time to prove its value, though at present it seems likely to be a really sound and useful organization.

If any religious work is to be successful in an open club with no religious test, a keen and enthusiastic manager is an absolute necessity—one who will really get to know, and so to influence, its members. And the most successful religious organization in connexion with such a club has generally been found to be some class or service held on the premises, as a regular department of club life, for which the members themselves feel some share of responsibility.

In conclusion, the one important point to emphasize is the personality of the manager, rather than the particular system under which the club is organized. A club is simply one means of getting into touch with men, and is, in fact, often the only point of contact between men in different classes of society; but the value of such contact must always largely depend on the use that is made of it. There is no need to disparage the work of a purely social and recreative club, so long as its tone is kept pure and wholesome. But for most men a small club is more likely to be a success than a large institution, especially if it is strictly confined to the inhabitants of a particular district, and content to aim at securing members who will be regular in attendance, without trying to attract a larger and fluctuating number of casuals. A social club managed in this way is sure to bear good fruit, which should more than amply repay all the labour and anxiety expended upon it.

H. S. WOOLLCOMBE.

## SOME NOTES ON MR. BOOTH'S ACCOUNT OF CHURCH WORK IN LONDON.<sup>1</sup>

**M**R. CHARLES BOOTH'S volumes on the religious influences at work in London have directed attention to the actual results of the splendid efforts which have been made by the various religious bodies to evangelize and christianize London. The picture which he draws is certainly a rather melancholy one. It is to be feared that it may in some way exercise a depressing and repressing influence upon the supporters of such work—particularly when the most depressing passages of his statement, as being naturally the most sensational, are paraded by the reviewer apart from their more cheering and reassuring context. It may be well, therefore, to suggest a few reasons, based on the conception of Christianity which is presented by our Lord in the well-known parables of the kingdom, for not being surprised or depressed by Mr. Booth's calm and judicial survey. In so far as such matters admit of being dealt with by summaries and statistics, I will not attempt to dispute the accuracy of his facts. I will only suggest a few counter-considerations which perhaps he is a little disposed to overlook himself, and which at all events it is not unlikely that other people may overlook in reading him.

(1) We must be on guard against what I may call the fallacy of proportions. Granted that the numbers of people directly affected by the churches, the missions, and the less definitely religious agencies at work for the moral and spiritual elevation of the poorer classes in London, are but a small proportion of the whole population; yet the numbers are enormous when taken collectively. It is admitted that everywhere earnest and self-denying effort—and Mr. Booth amply acknowledges the

<sup>1</sup> The substance of a sermon preached in Lincoln's Inn Chapel.

earnestness and self-denial which is exhibited by the religious workers of London—bears some fruit. Round every church or chapel, where such work is done, a little band is formed of people whose hearts are touched and whose lives are evidently raised to a higher level by the work of the churches and the chapels. He deplores the great set-off against this gain in the very poorest parts—the association of religion with material assistance, and the cadging and hypocrisy which it consequently sets up. But I do not think he means to deny, when all allowances have been made, that a great residuum of real good remains. That is so even among the classes least responsive to religious effort. And we must not, after all, talk as though Church work, or even what is commonly called Mission work, were limited to what we call the poor or the working-classes. Constant exertion is necessary to keep the provision of churches and clergymen on a level with the growth of population and the extension of a huge city like London. But for such efforts vast numbers of the church- and chapel-going classes would long ago have abandoned all external practice and profession of Christianity. And even among that large class which as a class has abandoned the practice of church-going, Mr. Booth does not deny that individuals, making up an enormous aggregate, become definitely attached to the churches and chapels, and he does not estimate lightly the real improvement of life which results from this attachment. Now all this spiritual improvement is a very great and important matter, even if it affected only the individuals themselves.

We should, therefore, endeavour to impress upon ourselves the idea of the supreme value of goodness in the individual life. It is the great strength of narrow creeds that they make it easier for their adherents to realize the value of souls. When all souls are divided into two sharply distinguished categories, when all those who have not definitely and consciously gone through some particular religious experience, or complied with some definitely prescribed "conditions of salvation," are regarded as lost—lost in this world and the next—it does add enormously to man's earnestness in winning souls. And yet it ought not

to do so. Those of us who cannot adopt these hard-and-fast distinctions, to whom salvation from evil is a matter of degree, who can recognize many kinds of goodness and many different ways of making people good, ought not surely to think less of the value of goodness, or be any the less disposed to spend money and effort in making people better. Because we feel less confident in reckoning up the number of converted souls, we ought not to be strangers to the joy over one sinner that repenteth, or to think it a small matter to make even a single soul a little better, a single life a little nobler and a little happier.

(2) Besides the small number of attached adherents which every zealous centre of Christian influence gets around it, there is a much larger circle of people on whom the churches have what we may call a social influence. To put it more plainly, there are large numbers of people who, though they cannot be got to go to church or chapel, can be induced to join various kinds of clubs or associations of a social character, and in that way are brought under the direct or indirect influence of the clergy and their helpers. Though the results of clubs when they get too big to be amenable to strong personal influences are disappointing, there can be no doubt that large numbers of men and boys, of women and girls, are morally benefited in this way. They are taught to amuse themselves more rationally, to be more sober, to keep out of various forms of definite mischief, to make a better use of their money, and so to make better fathers and husbands, mothers and wives. In Mr. Booth's words, the "nucleus is religious, the penumbra is social."

Mr. Booth does not actually disparage the value of this work, but perhaps he is a little disposed to forget the close dependence of the one kind of work upon the other. You could not have the penumbra without the nucleus. Among these non-church-going classes, as among others, it is the few convinced and consciously religious souls who are the leaven which leavens the whole lump. Mr. Booth quite recognizes that, in spite of the small proportion of regular church-goers, there is a diffused

knowledge of Christian ideas among the most ignorant and the most (so far as outward indications go) religiously indifferent classes. There is a vague belief in God and in Christ, a vague knowledge of the Christian ideal of conduct, a vague belief in a future life. Much of this is due to the work of the schools, and the work of the churches outside school, among the young, to the value and success of which Mr. Booth pays a cordial tribute. But much must also be due to the influence of the nucleus. And this vague diffusion of religious ideas is not a thing to be despised. I do not for a moment mean to suggest that this state of things is to be acquiesced in. I do not mean that any Christian can look with satisfaction upon vast populations abandoning all habits of religious worship or conscious and deliberate religious life. But when people talk (as bishops and others sometimes do) about these masses of people as being "practically heathen," it does seem to me that they enormously overstate the case. I doubt if they would talk so if they had vividly before their minds what real heathenism means. Of course by real heathenism I do not mean the ideas of the great philosophers of antiquity, though there are points on which the moral ideas of many an East-ender who never goes to church are higher than those of Aristotle. I am thinking of what heathenism means, for instance, among Hindoos or Kaffirs. Without, of course, suggesting that Hindoos and Kaffirs have no morality, there is a very real difference between both the moral ideal and the average practice of the non-church-going Londoner and the average Hindoo. We do not assume, as a matter of course, that a London workman will steal or lie every time he has the chance, as Englishmen in India apparently do assume with regard to their native servants in India. And I believe that this difference is very closely connected with the vaguely diffused religious ideas which the churches keep alive among those who do not habitually throughout life attend a place of worship.

(3) Mr. Booth distinguishes morality from religion with a sharpness which rather startles one. He sometimes talks as if Christian morality were no part of the Christian religion. He

tells us that the best men are not always religious men. It is, no doubt, true that men of high character are sometimes found who are not church-goers, and whose motives and principles of action are not usually presented to them in a consciously religious form. But it is surely a mistake to assume that the morality of the not specially religiously minded people in a Christian society owes nothing to Christianity, or even to the formal and official teaching of Christianity. Christianity at least, *includes* Christian morality as well as Christian theology. But that is not all. There is an intimate connexion between the two. The whole idea of duty—undoubtedly present in some degree among men of all religions, and of none—has received a deeper meaning from that absolute identification of the moral law with the will of God which is the very essence of Christ's teaching. Even those who have deliberately given up the belief in God very often retain a belief in duty of a kind which was, and is, very uncommon among pagans. And in the majority of cases—with the majority of these non-religious good men—whom Mr. Booth has in mind, it is probable that, even though religious motives are not always present to their minds, although religious worship is not practised and religious emotion not strongly felt, the idea of God is there in the background all the time. And when they think of God at all, it is really of God as Christ has revealed Him that they always think. It is easy to see sometimes in the very protests which such men are inclined to make against what seems to them the narrow or immoral theology of the churches that it is the Christian God, the common Father, the God whose character is set forth by Christ, that they unconsciously worship. And, at all events, the moral ideal that commands the homage of their hearts is the Christian moral ideal, whether or not they consciously draw their knowledge of it from the pages of the New Testament. It comes to them from the diffused influence of the Christian community, from the little leaven of real Christian faith and feeling which spreads so far beyond the circles which consciously and deliberately acknowledge its source. Great as is the loss, according to my profound conviction, where duty is not consciously and deliberately thought

of as the voice of God, where the sense of duty is not cultivated by habitual worship, where Christ is not consciously looked up to as the revealer of God and the inspirer of life, it does appear to me a vast mistake to talk about men of this type as being men without a religion, or as standing wholly outside Christianity. And this unconscious Christianity is due to the diffused influence of those centres of Christian work on which so much heroic effort has been spent and is being spent. The penumbra of partial illumination is due to the nucleus of concentrated light.

I do not think Mr. Booth really intends in any way to disparage all these forms of Christian effort, though, of course, he has much valuable and discriminating criticism to offer, and much to say as to the comparative worth of different kinds of such work. I do not think he would wish his conclusions to be used to suggest doubts about the wisdom and the duty of Christian people to persevere in their efforts. On the contrary, I think that a thoughtful reading of his books will be calculated to bring home to our minds the duty of contributing what we can to such purposes, and to encourage any one who feels any inclination to give some of his leisure, in one of countless possible ways, to help on such work by personal service. The harvest is not all that a strong Christian sentiment might desire, but it is amply rich enough to reward far more labourers than are now employed in reaping it.

I have been dwelling upon the value of very vague, unconscious, diffused religious ideas, influences, aspirations. There is only one practical objection to taking what we may call a comprehensive and catholic view as to the limits of the Christian faith or the Christian Church; and that is that it may tend to make us personally contented with a Christianity of this vague, undecided, lukewarm sort. But, properly understood, such a way of looking at Christianity ought to have no such effects. The more strongly we feel the value even of vague Christian ideas, the stronger ought to be our appreciation of the real, conscious, deliberate Christianity to which all the diffused and unconscious Christianity owes its existence. We cannot help

being affected and influenced by Christianity; we live perforce in the penumbra of Christian illumination. Let us be ambitious to form part of the nucleus. And that we cannot do unless we are striving, each of us, according to the measure of his powers and opportunities, in some way or other to help forward the work of Christ's Church.

H. RASHDALL.

## RURAL DEPOPULATION.<sup>1</sup>

THE depopulation of the country districts of England, and the migration of the farm labourers to the towns, has long engaged the thoughts of those interested in rural problems. The facts may be stated in outline as follows: In 1851 the number of agricultural labourers in the country was a million and a quarter, in round numbers; at the time of the recent census it had fallen below three-quarters of a million—a fall of two-fifths in fifty years, the decline being tolerably steady, but more rapid since 1870. Since the census of 1871, the population in nearly all the country districts has diminished very greatly, in many cases by one-third or more, and very commonly by a quarter; and the urban population is now over three-fourths of the total population of England and Wales. From every side comes the cry that boys and young men will not stay in the country, and that all who remain are the old men and those who are mentally or physically deficient. The young men will not marry and settle in the villages, as they once did; and when those who are now old or middle-aged are dead, the country population must necessarily become very thin indeed; for there are no large families growing up to fill the places of those who die, and very few indeed of those who have either migrated to or been born in the towns will come “back to the land.” There are some variations in the rate of depopulation in different districts; it seems that a good resident landlord is often effective

<sup>1</sup> The greater part of this paper, which was read in May, in a rather extended form, to the Oxford University Branch of the Christian Social Union, was written before I had been able fully to study Mr. Rider Haggard's admirable work, *Rural England*, and I was only able to substitute some of his facts and illustrations for those which I had collected for myself where the latter seemed to be less suitable. I had also no opportunity for studying agricultural statistics later than those of 1901. Since that year there has been a slight change for the better in many respects, but I think that most of what I have written remains substantially true.

in checking it to some slight extent by his personal influence or popularity, and a rich landlord to some slight extent by free expenditure of money for which he can expect no return, and which is often spent in forms of charity which are of rather doubtful service to society. What becomes of the numbers who thus drift away from the villages? So far as they enter occupations which are permanent or practically permanent, such as those of policemen, railway-men, etc., no harm is done; and it is obviously a great thing that these callings should benefit by the continual introduction of new blood, and of men whose health and strength have been derived from the fresh air of the fields.

But it must be remembered that these form only a minority of those who depart, and are only the best of them; the greater number drift into callings of a less permanent nature: a railway is being made, and they go as navvies, living in the towns; or the Government is making new barracks, as recently on Salisbury Plain; or there is some special local demand in the building trade, and they go to meet it; and perhaps the greater number of those who leave the country do so, in the first instance, in response to some definite and particular demand. The demand comes to an end, or there is a fall in trade in the particular works or factory which they have joined; they are not wanted, and are dismissed. But do they return to the land? Scarcely ever; and when they do, they are spoiled for farm work. They remain in the towns: they are for the most part unskilled both by nature and by education; they sink to some lower kind of work, usually more precarious than the last, or to no work at all; and they simply swell the congestion of the cities and join the innumerable army of loafers. I wish to emphasize the point that, though the best of them—those who become policemen or railway men, for instance—do really regenerate the towns by the introduction of new and wholesome blood, and sturdiness of body and character, the greater number are no use to the towns in the long run, if at all. In a couple of generations, if not much sooner, they sink to the town level of character and physique; and I am told, by hard-working clergy and others in

South and East London, that the most dismal quarters in their districts are full of those whose parents or grandparents came in from the country, and gradually sank from want of work or from failure in the competition for it, in many cases having been ousted from the place by more recent immigrants from the land.

The same story which comes from London comes from the great towns of the north and midlands, and even from the smaller towns, where the same conditions of physical and moral decline, and congestion of population beyond the limits of the demand for labour, are repeated in various degrees, roughly in proportion to the size of the town. And even if it be granted that the towns are still refreshed and strengthened by the new blood flowing in from the country, though its quality declines so fast, yet it is evident that if the flow goes on long at its present rate, the source must soon become exhausted; for I must repeat that it is no exaggeration, but literal fact, confirmed by the census returns all over England, and by evidence impartially and skilfully collected by many independent inquirers, that it is the young men who are leaving, and that therefore their children, the children of the present generation, will be town children, instead of country children; and the supply of country children, who might be expected to bring their fresh blood into the towns, is falling shorter and shorter. Further, in so far as the cause of migration is the desire of higher wages, and consequently of increased prosperity, the immigrants are mostly doomed to disappointment. Let me quote one of Mr. Rider Haggard's correspondents.

"I have come into communication with several young men and lads whose parents have, it appears, all come up from the country some years ago. They were attracted to London when young by the large wages, which they find wholly inadequate directly they collect household cares around them. Most of them know that in the country they would be in better health, better in pocket, in conditions of work, in fact in everything, but—and here they come, as it were, to a blank wall—how, and in what capacity can they live if they return? . . . and so, like dumb, driven cattle, they keep at it, slaving and toiling and shortening their lives, as well as assisting in the degeneration in

health and stature of the race of which we in past years have been proud to boast.”<sup>1</sup>

The writer is speaking, too, of the best, not the worst, of the immigrants who take to unskilled labour; and if we study Mr. Rowntree's book on *Poverty* in large towns, we find that the wages of unskilled labour in a large town, such as York, are not sufficient to keep a man with two or three children up to the level even of the barest physical efficiency, much less to provide any comfort or pleasure. They pay high rent, their provisions cost more, and they have to pay highly for many things which, in the country, they either got free or produced at trivial cost in their own gardens. Let me insist, then, that the extent to which the influx recruits the towns or is good for towns in the long run is generally immensely exaggerated; and that, whether it is exaggerated or not, the source of the influx is rapidly becoming, not only exhausted in quantity, but greatly impoverished in quality, because only the poorest quality remains at home in the country. When we consider the general degeneration in physique and tone that necessarily results from this, we cannot fail to regard the question in a serious light. If town life is necessarily accompanied by some degree of degeneration, especially in the labouring class—and this is beyond dispute,—if the countrymen who come into the towns themselves fall victims to this degeneration very rapidly, and if, further, the life of the country districts is itself being impoverished by the loss of its best men, themselves soon to become far inferior, where are we to look for the physique and tone of the race?

I pass on to the effects of the migration on the country districts and on agriculture. On every hand comes the same complaint from the farmers—that labour is very difficult to obtain; that only the old, the idle, and the incapable are left; that the boys all go off to the towns, and are no good if they return; that there is a great lack of interest in work on the part of those who remain, as compared with former days; that the boys and men simply will not take the pains to learn the more skilled kinds of farm work; and that if their master

<sup>1</sup> *Rural England*, vol. ii., p. 446.

speaks to them they are off at once, and he is left without labourers; indeed, they will depart without notice or provocation even at the most critical times—at hay-making or harvest,—careless alike of their employers' interests and their own promises. A much larger proportion of the young men remain bachelors, and "bachelors can put all their goods on their back and be off in an hour:" and as the farmer cannot afford to risk this, he has to put up with such work as the men will give; he can no longer enforce thoroughness; and the result of this and of the scarcity of labour together is not only that large parts of nine farms out of ten are going out of cultivation, but that such cultivation as there is is far below the standard of old times, and infinitely below what might be the standard in these days of extended scientific study of agriculture. Before we consider causes and remedies, let us realize what this means to the nation. It means that, whereas we might produce a very large proportion indeed of our own food supply, we only produce a very small one; that the resources of the country are being wasted to an appalling extent, and that the crisis in case of a war at our own doors would be too terrible to contemplate, even with all that the navy could do. (This last point I have no time to discuss now; but I may suggest, in passing, that perhaps the amount that the navy *could* do in such a case has been overrated; they could not even secure the safe arrival of more than a fraction of the supplies that might come from abroad; and they could do nothing whatever to cause foreign merchants and speculators to *send* supplies, if political reasons or the increased risk operated the other way.) In 1901 there was a great diminution (as compared with the previous year) in the area producing the regular farm crops (wheat, barley, turnips, swedes, mangold); and the increase in the area producing potatoes, and in the permanent pastures, was not by any means equal. Further, as regards permanent pasture, so called, it must be remembered that it is only of value in producing food for mankind so long as it is *used* as pasture for animals; an increase of pasture land is sheer waste unless there is an increase of cattle and sheep. But, instead of this, there was a heavy drop

in these; and even when in recent years there has been an increase, it has not been nearly in proportion to the increase of so-called pasture. Again, it is calculated that we spend on imported food (per head of population) about twelve times as much as Germany; and though it is not possible that we should produce the whole of our own food, we might produce a great deal more than we do, if we would increase the area of land effectively cultivated, as well as the efficiency of the cultivation. There is, then, a constant and apparently an increasing waste of national resources, sufficient to constitute in time a grave national peril, and one of the chief reasons is the flow of labour from the country, where it is sorely needed, to the towns, where it is not, and where temporary demands have led and are leading to permanent congestion.

I have now tried to explain the two main national aspects of the problem—the inevitable degeneration of the race, and the steady waste of our resources and diminution in self-supporting power. I need not dwell on the significance of these. Their relative importance will be differently estimated by different minds: to my own, the first is the most momentous and urgent; the social aspect takes priority over the economic. If we continue to produce and maintain a race healthy and fresh in mind and body, we need not fear seriously for the nation; and given such physical and mental health, there is no risk that national resources will be left unused.

Let us consider next the causes, real and alleged, of the depopulation of the country districts. In the end they are all reducible to two—education, with that independence of spirit which has been produced thereby; and wages, and even the wages question is, as we shall see, partly bound up with educational conditions. One or two other causes, which are often treated separately, are really reducible to these also. I will take them first.

On every side the farmers tell us that their men refuse to do any work on Sunday, however little. Now, however good a sabbatarian a farmer may be, his cows must be milked on Sunday as on other days; this the labourers will not do, and

...the narrow straits. In many cases they have actually to give up a day of their week to keep the sabbath that the day of idleness and recreation, especially of the younger generation, is a thing of the past. The refusal is due to the fact that the situation is at least indirectly due to the fact that the bribe of extra

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while he works for his present  
and his independence is thus greatly fettered: the  
farmers naturally prefer this system, but the men do not.

A further cause, of a general and somewhat vague nature, is to be found in the survival of the traditions of tyranny by the landlord or the farmer—traditions only too well founded on fact in many instances; though, I believe that, as a rule, and under the social conditions of half a century ago, the tyranny was generally beneficent, and made for morality and rough justice. The spirit of tyranny is happily illustrated by a political cartoon taught in a Dorsetshire village somewhat over fifty years ago by the order of the great lady of the place. It began, "the laws?" Answer: "To confirm the rich in

their possessions, and to restrain the vicious poor." But now the spirit of independence is in the air, and is less recognized by some squires and farmers than it might be. As often happens when there is a revolt against undue control, it becomes a revolt against all control, and, rather than submit to such discipline as is necessary for a farm as for any large institution, men will depart altogether.

To pass on to the educational causes of the migratory tendency, every one knows that the greatest change that has come over the labouring population in the last half-century or so lies in the fact that every one can and must learn to read and write. In this way, partly through the reading-books used at school, and still more through newspapers and story-books, unbounded prospects are opened up to the young mind, which it would never have dreamed of before. Many reading-books are full of the boys who have left humble homes, fired with ambition, and have become great; and even this fact, though, of course, the young rustic does not argue consciously that any one who leaves home will become great, instils secretly the poison of restlessness: no one ever reads stories about boys who became great by staying at home and following the plough. The newspapers, especially the weekly local papers, which he principally reads, tell the rustic of every kind of excitement and pleasure in the towns; they are full of snippets of sensational news—all town news: there is nothing so exciting in the country. Nor do the story-books given him by the schoolmaster or the clergymen add any glamour to the humdrum rustic life. And further, not only from all literature that he gets, but from every one on all hands, he gathers that the farm labourer, the ploughboy, "is at the very bottom of the social scale; others despise his condition, and so he despises it himself;" he will not learn to perform such work as well as it might be performed—hence the farmer's complaint that the boys refuse to be taught—and he yearns for the excitement, the pleasures, of which he reads, and of which he is told by his brothers or friends when they return from the towns for a few days' holiday. One of Mr. Rider Haggard's Devonshire witnesses says—

"The policeman or the London porter, who is a native of Dartmoor or of some neighbouring village, returns home on his holiday wearing rings and an Albert chain, to fill the ears of listeners with fine stories, which so stir their imaginations that they are never content until they have also set out to seek their fortunes in the towns."

In every district one might hear the same tale; and though, in fact, it is only a small proportion of those who go who are really justified in telling fine tales or showing evidence of prosperity, this fact escapes the notice of those to whom any change may mean improvement of social position (for social distinctions are very strong among labouring men), and none at any rate can mean any social loss—so, at least, they are taught to think. Indeed, the mere fact of being better educated than their fathers make them unwilling to remain at their fathers' work in the fields. The schoolmaster is, in some measure, directly responsible. Usually town bred, he tells the backward boy that "he is only fit to be a clodhopper," and encourages the better boy with the hope of something better than the plough-tail, and in his teaching and manner often unconsciously reveals his opinion of the exiguous merit of a farm labourer's life. (The clergy are, I think, less guilty in this respect, and, though they help the better boys to get every kind of situation, they are not responsible either for encouraging the majority of those who go to depart, or for the idea that the work is contemptible.) Even more than the boys, however, the girls despise the rustic life: they leave the country never to return for good; and the knowledge that the young women despise the ploughman is quite enough in itself to drive the young men to the towns. Further, those who do not actually go, or who do not go at once, attempt a kind of spurious imitation, in the villages, of those external fruits of prosperity which they expect they would get in the towns, and which seem to them so desirable—showiness in dress, "loudness" in manner, an independent air towards their masters or their social superiors, and daintiness as to what work they will or will not do. Mr. Rider Haggard's book contains a number of anecdotes which illustrate this. A Nottinghamshire farmer tells Mr. Haggard that "one in his employ wore a collar

so high and stiff that it interfered with his work. His master told him that he must leave it off or go. He replied, 'I'll go.' And he went." A Warwickshire labourer left his master because he was required to sow soot over the fields—a regular part of every gardener's work, and of most labourers'. All that his men want, an Oxfordshire witness says, is "to get home in the evening and put on a nice suit, and walk about with a little cane in their hands,—and they won't do any of the most necessary jobs, if they have by any chance to be done in the evening."

Now, I should be the last person in the world to say that the growth of an independent spirit, thinking for itself and growing in resoluteness and self-respect was a bad thing, even if it had to pass through an awkward transition stage. But can the present process be considered such?—a total loss of respect for others, and a self-respect which makes mainly for idleness, refusal to learn, and an ugly sort of swagger, seem to me to be a very different thing, and to point in the direction of no growth or development at all. These are not the boys who will do well when they do get into the towns. All the tendencies we are considering are assisted by the facilities of transit which railways and excursions of all kinds nowadays afford. The excursion only shows the attractive and pleasurable side of the town, and the uncritical mind unconsciously gets to think of town life as a life of pleasure.<sup>1</sup> And further, when the desire for moving comes upon a man, he knows that even from remote country districts he can reach London as quickly as his grandfather used to reach the market or the hiring-fair. All the changes of modern life suggest and foster the search for excitement, company, and pleasure. Nothing suggests a quiet,

<sup>1</sup> William Cobbett himself writes: "After my first visit to Portsmouth, I returned once more to the plough, but I was spoiled for a farmer. I had, before my Portsmouth adventure, never known any other ambition than that of surpassing my brothers in the different labours of the field; but it was quite otherwise now. I sighed for a sight of the world; the things in which I had taken the most delight were neglected; the singing of the birds grew insipid, and even the heart-cheering cry of the hounds, after which I used to fly from my work, bound over the fields, and dash through brake and coppice, was heard with the most torpid indifference." And the restlessness which led Mr. Cobbett to great things, leads meaner men at least to long for the delights and excitements which country life cannot give.

hard-working country life, or gives any interest in the country at all. The love of nature, for instance, is not in any way brought home to the boys and girls under our present educational system, for the system is constructed for the towns and in the towns, and is applied unmodified to the country. The schoolmasters and mistresses are themselves very largely town bred, drilled into a wooden system of teaching, and bored to death by country life,—quite incapable of revealing in it the interests and joys which they have never felt. Further, in one way our educational system positively *discourages* any capacity for farm work; for the boys are now kept at school till an age when, by the unanimous agreement of farmers, landlords, and other observers, it is too late for them really to take to the work. “They will never do men’s work at twenty,” every one alike says, “unless they begin boys’ work at ten.” “They will never really manage animals, unless they begin when they have to climb into the manger to put the horse’s collar on.” So that not only, for want of young boys, has much boys’ work to be done by men, but the boys, while remaining two or three or four years longer at school, are being incapacitated for doing men’s work when the time comes. I do not pretend to explain the fact, or attempt to do so, in the time at my disposal; but of the fact itself, no doubt can possibly be entertained by any clear-headed observer, and there is virtually no dissentient voice in the whole chorus of persons connected with the land on this point, from the earliest agricultural commissions down to Mr. Haggard’s investigations.

It is impossible, then, not to feel that our improved system of education has failed to result as it was intended to do. A good system should, of course, teach reading, writing, and arithmetic, and also awaken the interest and intelligence; it should lead to the intelligent performance of what was before less intelligently done, to brightness of life and of work, to contentment as long as good work is well done, and to honourable ambition to excel in such work. When the result is that good work is despised, honourable ambition extinguished, and idleness and pleasure-seeking are all that is suggested by the newly opened paths of

literature and the new facilities for seeing more of the world, it is clear that something is wrong. We need an education that shall suggest other ideals than these—a religious education in the true sense of the word. But as to religion, what are we told on all hands? That the influence of the clergy with the rustic was never less, that churches and chapels were never so badly attended, and that the old simple piety has decayed to make room for that search for pleasure which is the unspoken principle of the lives of nearly all of us. To show that I am not unduly pessimistic, let me quote one or two other witnesses. Mr. Rider Haggard is reporting his interview with Dr. Killick, “an exceptionally able and clearheaded man, medical officer of health for the parish and district of Williton,” in Somerset.

“Turning to another matter, he was of opinion that, except in a few instances, the clergy were not popular, and that the trust and belief in an overruling and personal Providence was dying out of the hearts of the rising generation of villagers. Among their fathers this had been a strong and constant, a living factor in their lives. It was this trust, with the patience which it bred, that in the past had enabled them to bear their trials and privations with so little murmuring. Now, he thought, things were different, and the young people, unfettered for the most part by religious considerations, were determined to lead the easiest and pleasantest life which lay within their reach.”

Or take the evidence of Mr. Forrester, the agent of Lord Portman's Dorsetshire estates:—

“Mr. Forrester seemed to think that the want of religious feeling that is so marked a symptom of the day, had much to do with the discontent of these people at the conditions of their life. Lack of principle was at the root of it.”

Again, Mr. Haggard and General Booth agree that—

“there is a great desire on the part of the young to escape observation. They want to get away from the parson, and from public opinion. They don't want everybody to know what they are doing; and in the great cities they can do this.”

Mr. Eminson, a Lincolnshire doctor of wide experience, traces the same evils to the same cause. And if I were not convinced

before, the amount of evidence I reviewed before getting to work at this paper would have convinced me that the crisis which we call agricultural or educational is at bottom a moral and religious one: and that though for a few acute or lofty minds it may be possible to base a noble and a dutiful life on ethical theory and natural instinct, yet for most men there are in practice but two alternatives—the simple, strong, and child-like piety of real Christianity, ecclesiastical or unecclesiastical, on the one hand; and on the other, the pursuit, conscious or unconscious, of pleasure and inclination. It is here that the seriousness of the problem lies, and no remedy can be more than a palliative which does not go down to the root.

I must mention briefly the matter of wages. The wages of the farm labourer were never so high as they are, nor was his general condition ever so prosperous. Now and then he may have difficulties through illness; but, taking regular work and harvest and other extras all into account, the evidence shows that he gets all round in most districts—there are, of course, a few exceptions—little less, and sometimes more, than £1 a week, and that this is enough to keep him and his family in decency and comfort. Owing to school regulations, his children begin to earn money later than they did, and women nowadays generally decline to work at all, though in some districts a good deal of needlework, knitting, gloving, etc., is still done. But all round the wages are more than a living wage, and equivalent in value perhaps to half as much again in the towns. But the larger wage still attracts them; even if it is of less value, they like the handling of the larger sums, and, unless the farmers can give the larger sums, this cause of migration is bound to continue. But the farmers cannot do so. We are a free-trade country, in face of protection in every other country; and the consequent pressure of foreign competition keeps prices down so low that to raise wages further would mean bankruptcy to the farmer and probably to the landowner also, under our present system of land tenure. I do not think a return to protection is either desirable or possible; but unless some relief can be given to the owners and tenants of the land, the wages question is insoluble.

Several ways of relief have been suggested, which I will mention later.

I have now tried to enumerate and illustrate the principal causes of the present difficulty. I must next mention briefly some of the proposed remedies. There are many suggestions for the increase of the labourer's interest in life in the country and the improvement of his material condition. The desire for better cottage accommodation is a thoroughly healthy one, and imperatively demands satisfaction. But cottage building is shown on all hands to be a hopelessly unremunerative investment, if not a dead loss; and the simple truth is that neither squires nor farmers can afford it, except in the rare instances where they are men of large substance independently of the land, and take a pride and pleasure in improving their estates without hoping for return. Acts of Parliament give certain facilities for borrowing money for the purpose; but they do not really meet the case, because Acts of Parliament cannot encourage unremunerative investment, and therefore each Act makes conditions which render it practically ineffective because they attempt to make the investment remunerative. It seems, however, possible that under certain conditions cottages *with small holdings attached* may be built so that the two together are remunerative, and, if so, there is an opening.

A second proposal for rendering the country more attractive is the proposal to extend the system of allotments as far as possible, giving every labourer at a moderate rent a piece of ground (in addition to his ordinary cottage garden), which he can cultivate in his spare time, either to support his family or to sell the produce and increase his income. Such an allotment can only be of a size which will occupy the labourer's spare time and will not encroach on the time he is bound to give to his master: from half an acre to an acre will be the area of the largest allotments. It has been abundantly proved that a careful man can make such an allotment pay, even if he is charged rent at a higher rate than the current rent of the surrounding land, and can even make £3 or £4 a year profit; the holding of an allotment may also make him to some

extent more contented to remain where he is in the slack season of farm work, during which the farmer often temporarily ceases to employ and pay his men, or some of them; further, an allotment efficiently cultivated produces often much more in proportion than land farmed as land generally is farmed, and if the allotment holders combine to share the expense of sending to market the corn or vegetables which they grow, the outgoings will be diminished. Dean Stubbs, when rector of Granborough, let out his glebe in allotments, one of which he kept himself, and the results were extraordinarily successful from the economic point of view. But it is very doubtful whether allotments are really capable of keeping the labourer to the land; in a sense, it is true to say that they do not really add to his wages, for the profit he makes on his allotment is made by extra work and hard work; and they do not touch the root of the matter—the desire for excitement or pleasure, whether in the form of idleness or positive enjoyment.

A third proposal, the proposal to extend the system of small holdings wherever possible, stands on a different footing, since it gives the labourer a strong personal interest and stake in the land. The proposal is the gradual substitution of small holdings, arable or pasture, up to about fifty acres, for the present system of moderate-sized or large farms let to a single tenant. The holdings may either be rented from the landowner, or bought outright or by instalments: there is a good deal of difference of opinion as to the most desirable method, and probably a different answer would have to be given in different districts and different individual cases. But this I have no time to discuss. The result of the change wherever it was carried out would be that, instead of the whole lands of a village being rented and farmed by one or two large farmers, there would be a large number of small holders, each working just so much land (for this is the natural and proper limit) as he and his family can cultivate together. It has been conclusively shown, in many cases, that, under this system, under which each holder depends for his subsistence on his land, cultivation is immeasurably better performed; the holders can make fair or good profits,

if they are hardworking and sober; they have a real interest in the country; the virtues of the yeoman character return, and the desire to migrate disappears. The cases which Mr. Rider Haggard investigated prove this completely. Others might be added, but it is sufficient to refer to his account of the small holdings on Major Poore's estates at Winterlow, in Wiltshire, and on Sir R. Pearce Edgecumbe's estate near Martinstown, in Dorset; of the striking success of small holdings (mainly devoted, in this instance, to fruit farming) at Catshill, in Worcestershire, and of a similar success on Lord Carrington's property in Lincolnshire and Norfolk. In all these cases the population increases when all around it is diminishing; and from a number of other quarters similar evidence comes, of the tendency of small holdings to retain the people on the land. What is the reason? It is the magic of ownership—that deeply rooted feature of human nature to which Aristotle conclusively appealed against systems of communism, and to which we may equally appeal against the present system of tenant farmers matched with uninterested and careless labourers. Incidentally, besides an incredibly increased rate of produce, it is found also that the small holdings develop the habit of mutual help—a virtue which often seems on the point of extinction in the labouring class; and that the possession or prospect of such holdings makes men contented to marry and settle down, while a large family is a positive help and not a hindrance.

There are, however, conditions which limit the universal applicability of this system. It is not suitable, in the first place, to every kind of land; certainly not to the poorest land. On very poor land the small-holder is too much worn out by the labour required to make a profit, and the system is therefore undesirable in such a case. In the second place, under the present conditions of railway rates, etc., which favour foreign produce at the expense of British, there must be co-operation among the small-holders for the distribution and carriage of their surplus produce, and for certain other purposes. Lord Carrington's small-holders and others have shown the possibility and effectiveness of this; and if Mr. Haggard's State-managed Agricultural Post

could be inaugurated, a great step would have been taken. Thirdly, there must be a readiness to adopt scientific methods of farming in order to make the most of the soil and replenish it with the constituents required to make it fruitful enough to give a good crop every year. But, given these conditions, the system has everything to commend it: it makes the most of the soil; and, above all, it makes the most of the men, both in respect of character and by keeping up the supply of healthy country-grown human beings. Indeed, it seems as if the future of English farming lies between the two alternatives of enormous farms held by joint-stock companies, with a great deal of machinery and highly paid labour, the labourers being few but highly trained; and the extension of small holdings: but of these alternatives the former would not check the depopulation of the country, would probably produce little if at all more than the present system, would always afford at best a precarious investment, and would place agriculture at the mercy of speculators, who might or might not continue it, without regard to national concerns; and the small-holdings system, which was almost universal in many parts of England a few centuries ago, has none of these disadvantages. It disappeared from England through the buying out of the small-holders by the larger or by the more prosperous of themselves at a time of agricultural prosperity; and it sorely needs to be brought back. But there are great difficulties in the way. Both landowners and land-agents are strongly against the system: the latter, chiefly on account of the trouble it would give them; the former, both on this account and because it would diminish their own nominal control, though where the holdings are rented they would get a better rent, and where they are bought would get a fixed sum worth at least as much as the value of the holdings as at present cultivated. Again, the process of the transfer of ownership of land is very tiresome and costly, though very profitable to lawyers; and the number of transfers which the system would entail at the start would therefore prove very expensive, unless a simple system of land registration were introduced. These two classes of objection, however, might be got over by

the assistance of a strong Government, even though the House of Lords consists mainly of landowners and lawyers. A greater difficulty is the provision of the funds necessary to start the system on any large scale ; both to aid the holders to purchase and stock the farms, and the landowners or holders to erect the necessary buildings on each holding. This could no doubt be done to some extent by government and county council loans under the provisions of the present Small Holdings Act ; but those provisions need both extension and modification. There is, however, no reason why a system should not be devised for the benefit of English agriculture, as for that of Irish ; and the matter is at least as important as some (I do not say all) of the so-called imperial matters on which millions are annually spent with very little return.

I do not think, then, that the difficulties are insuperable. Of course the system must not be *forced*—nothing forced ever really answers in England ; but if it is encouraged and extended by judicious influence wherever it exists, and if every legal and practical difficulty is as far as possible removed, and every facility offered, I think that in the extension of this system lies the best hope for the prospects of English agriculture. Readers of Mr. Rider Haggard's book will see that a few (though only a very small minority) of his witnesses are against it ; in nearly every case this was because it had not answered in their district a generation or two ago : but this argument comes to very little when we consider the enormous advance in the resources and methods opened by science in recent years to agriculturalists, completely changing the conditions of the problem, though as often as not the incredible obstinacy and dullness of the British farmer, as he is, will have little or nothing to say to them. The worst that could be said of the prospects of small holdings is that a good system of agricultural technical education must go along with them.

As to the wages question, given small holdings the problem disappears ; but as this system is not likely ever to become universal, and will not for some time become general, we have

to consider how the farmer and landowner can be relieved of their burdens in such a way as to enable them to pay the labourer more. There can, I think, be no question that the present incidence of rates and taxes lays an excessive share of the burden on the holders and farmers of land as compared with the possessors of money or the owners of factories and other kinds of remunerative property. No one can investigate the matter without concluding that the present distribution involves the greatest injustice, and that a juster system would give great relief and enable the payment of higher wages. Unfortunately there is a rooted notion in the minds of most people that anything done in this direction is bound simply to put money into the landlord's pocket, and I have little hope of any very thorough reform, though the notion in question has scarcely any justification. One thing only, however, I would suggest: that a mere dole, like that recently given, does not meet the case; no amount of doles can reconcile men to injustice in a system as a whole, or lead them to change their system of payment of wages. Something more reliable and more satisfactory to the moral sense is required. I should like to suggest something, also, about tithe—the heaviest of all agricultural burdens, which certainly ought not now to be laid, as it is almost entirely, on agriculture, though it was rightly so laid when most property was in land. Whatever the history of it as an institution may be, the present iniquity and mischief of the system cries out for amendment; but I forbear to dwell here on so thorny a subject. The idea that landlords and farmers might try the experiment of giving high wages, and so secure and keep better men (such a plan having been found to be true economy in the case of a number of other industries) rests on a false analogy. Landlords and farmers have seldom the capital of industrial kings, and cannot afford a heavy outlay, the return for which must be awaited with a good deal of patience.

I pass over all the schemes for garden cities, the general transplantation of factories to the villages, and other such designs for the repopulation of the country and the depopulation of the town. They may work well in some instances, and

of course, any experiment is worth trying; but I rather doubt whether they can ever become general enough to solve the difficulty before us. I pass over also the proposals for profit-sharing arrangements between masters and men, not because they are not good in theory, but because in practice there are few instances of conspicuous success, if any, in this direction; and several most striking instances of conspicuous failure.

In conclusion, it may be said that the difficulty arising from the fact that the long continuance of education unfits boys for the land might well be got over, as Mr. Haggard suggests, by the plan which is absolutely necessary in Switzerland, and is also in vogue in many other places,—of leaving boys much more free in the summer, and arranging their work so as to fall mainly in the other months. But this is the least of the difficulties. The greatest is to produce a race of masters and mistresses of real intelligence, of sympathy with the country, with human ideals and a knowledge of what work and what sort of life is noble and desirable. The problem is to educate the masters; and I have grave fears as to the chances of doing this. Apart from this, however, much might be done, whether by the schoolmaster or by the clergy and the gentle ladies of the villages, to give boys and girls a real knowledge of, and interest in nature and natural objects. There is enough experience in this matter on a small scale to show that there is nothing impossible in the idea. But, above all, an end must be put to the fatal plan which imposes unmodified upon the country schools the same educational code as is workable and perhaps excellent in the towns. I have no time to enlarge on this, but I regard it as absolutely essential. I need hardly say that I do not wish in any way to diminish the amount or value of education for the country boy; but its precise quality must be adapted to the needs of the case: I think that this might be done if large discretion were given to county councils and other local educational authorities.

All the remedies which I have proposed or hinted so far, have, I suspect, for most of us at Oxford, one grave and irritating

drawback (or shall I call it a consolation ?)—that they are all remedies which will have to be instituted and carried out by somebody else ; though even here, if we can take an interest in these serious problems, and form clear opinions and force others to think, the least public of men among us can do something. Very much may be done by intelligent criticism and expression of opinion, and by keeping an eye on any legislative steps which may affect the question at issue. We can also destroy as far as possible by force of example the notion that the life of the gentleman, whom the rustic imagines himself to be imitating at a distance, is a life of devotion to pleasure and negligent performance of work. And we can steadily set our face against the supercilious contempt of rural problems as matters of little national concern, and so create around us an atmosphere in which reforms, however gradual and apparently small, will be able to thrive and do their work.

A. W. PICKARD-CAMBRIDGE.

## NOTES AND MEMORANDA.

**SOME IMPRESSIONS OF THE CO-OPERATIVE CONGRESS.**—This year's Co-operative Congress at Doncaster was well up to the average in every respect. The attendance was large—nearly twelve hundred delegates; the speaking was, if anything, of a higher quality than usual; and, in spite of the difficulty of hearing, the delegates sat through each session in a creditable manner. It was an assembly of working men and women that did honour to the social reform movement. Considering the size of the Congress, and the limited time at its disposal, rendering anything like set debate impossible, the proceedings were extremely orderly, and the lapses into those fitful gusts of passion—the besetting sin of unwieldy crowds—were only rare. But their occasion was rather unfortunate. They seemed to make a martyr of a delegate with no following or standing, who got thereby a wide advertisement in the reactionary press. It is true that the refusal to hear him arose from a feeling of contempt rather than from any desire to be unfair. Still, one regrets that the Congress fell into this too common temptation of great popular gatherings.

There was one feature of procedure which deserves mention. The Standing Orders Committee made a determined effort to break down the growing practice of rushing through the business in one session on the Wednesday. This attempt to claim the full three days, if necessary, for the work of Congress was successful, and the committee thereby gave a reminder which was much needed, both on the platform and in the body of the hall.

The English Wholesale Society had again a representative in the chair—Mr. J. Shillito, J.P., the head of that concern. One does not care to criticize so old and respected a leader, but it is impossible to describe him as a strong man for the post. That he managed to pilot the Congress through was mainly due to the admirable conduct of the delegates and the general respect in which he is held. Mr. Shillito had the fault in a marked degree, which is all too common with occupants in this position, of surrendering one of the most important of his functions—the protection of the minority. Popular clamour to apply the closure hardly ever failed. Mr. Shillito seemed eager to bow to

the will of the majority under all circumstances. This has a democratic appearance, but it is really a dangerous form of mob rule. The real majority were not at the Congress at all, and the only safe way is for the chairman to see that discussion is adequate. The motive for wanting a debate to close may be bad as well as good, and it is the chairman's duty to lead, and not merely to follow, the crowd.

Mr. Shillito is one of the pillars of orthodoxy, and he looks upon the independent productive societies as heretics. The consumer is the only factor of any importance in his economic system, and the Wholesale Society the one institution which can protect him by its monopoly and centralization. The idea of giving the consumer a wider choice in his purchase of goods at the stores is at once denounced as pernicious, whilst the suggestion that co-operative producers ought to be something more than mere wage-earners, as they are in private employment, is regarded as high treason to the consumer. The address was burdened with this sort of thing. But Mr. Shillito was exceedingly modest, for he relied for his main statement of his case upon a quotation from Mr. Tweddell's presidential address at Sunderland, ten years ago. It is an open question whether this compliment to Mr. Tweddell was appreciated as highly as would have been an original contribution from Mr. Shillito himself. Still, though co-partnership advocates could not follow him in his undue exaltation of the consumer, with its consequent neglect of the producer, they found no fault with the tone of the address, which was not marred by any bitterness.

The discussions which took place on the Report of the Central Board were at no time marked by much excitement, and for the most part were rather dull. Still, there were several points of interest. The question of increasing the amount of co-operative production gave rise to a useful debate. There was just a trace of antagonism to co-partnership societies developed in one or two of the speeches, one fanatic going so far as to declare that these bodies were not co-operative at all. But the net result of the discussion was to carry a resolution in favour of recommending the stores to encourage production within the movement, no discrimination being shown to either section. In this connexion, it may be noted that, for the first time, separate statistics of production carried on by the retail societies appeared in the Report. They are quite respectable in their volume. The total value is put down at £4,534,145 for the year. Unfortunately, it had to be admitted that the figures were incomplete, only 647 societies having sent in returns. How many of the remaining 991 have productive departments we are not told. The reason given for this large gap is not very

creditable to the book-keeping of many of the stores. It seems that they do not keep separate accounts, and this indicates a laxity which ought to be corrected.

In the early part of the consideration of the Report there was a notable departure. The Congress was asked to turn its attention from itself to the great social wrong which exists amongst the mountains of North Wales. And magnificent was the response. Two years ago an effort was made to enlist the sympathies of a number of public men for a co-partnership quarry. It, however, did not immediately succeed, but a few months ago a better opportunity presented itself, and this time with better results. A company has been formed to purchase certain quarries adjoining Lord Penrhyn's property, and rules have been drafted embodying the principles of co-partnership. There has been one man who has been the life and soul of the enterprise, and he moved the resolution at the Congress—Mr. H. Vivian. He has been backed throughout by Mr. J. C. Grey, the secretary of the Co-operative Union. The case for the co-operative quarries was that of the application of self-employment as a better alternative than subscriptions to the men's funds—or, perhaps, it would be more correct to say, as a valuable auxiliary to them. All sorts of agencies have been used to assist the victims of the Bethesda autocrat, and now co-operators have tried their hand. The delegates forgot "divi" and shopkeeping, and only remembered human interests as represented by the heroic struggle of the Welsh quarrymen. Neither the folly of one delegate, who wished to hand the whole affair over to the English Wholesale Society, nor the undue caution of others, could divert them from the straight path of duty as they conceived it. The North Wales Quarries, Limited, was launched amidst enthusiasm. What the nature of its voyage is will depend upon the way the societies back up the action of the delegates by current coin of the realm.

There is one novel feature about this project. Private traders and co-operators have joined hands in a holy alliance against tyranny. For this to be effected at a Co-operative Congress which had on its agenda resolutions dealing with the foolish and futile boycott by certain shopkeepers at St. Helens, Wigan, and elsewhere, speaks volumes for the strength of the feeling in favour of the quarrymen. This aspect of the question did not escape the notice of an extremist, who could not abide the thought of the co-operative chosen people having any dealings with the capitalist Samaritans. But the Congress was in no mood to listen to doctrinaire objections. It was made plain that the concern was to be conducted on business methods, and that sentiment had not been allowed to usurp the function of sound judgment and hard fact.

So that now there is a chance for co-operative societies and individuals of all ranks to serve the cause of industrial freedom by investing their money in the North Wales Quarries, Limited, which is a noble attempt to solve a problem which ought not to exist. So far, the trade unionists have not defeated Lord Penrhyn by the organization of labour ; it now remains to be seen what measure of success the joint organization of labour and capital will have.

From the industrial strife of Bethesda, the delegates plunged into the stormy sea of current politics. Mr. Chamberlain's preferential tariffs were condemned in vigorous terms, and there was scarcely a voice or a vote found on the side of the protectionists. One thing is certain—co-operators are solid for free trade. In the same way, the London Education Bill raised a storm of opposition, and it was denounced for the same reasons as the measure of last year. Whilst the Congress wisely declines to put on a particular party label, it does reserve to itself the right to pronounce its opinions on questions of national importance which directly affect the working classes. This it has done on free trade and education, and there is no mistaking the notes struck.

Nothing reflected more credit on the delegates than the dignified manner in which they treated the resolution concerning the boycott in Lancashire. It congratulated the men and women who had been in the "fighting line," and assured them and others who may be similarly placed of the support of the whole of the movement. This was moved in a short speech, seconded, and carried, just as though it had been some formal paragraph in the Report. This was infinitely better than a number of hysterical speeches, and must have left a favourable impression on the public mind. It was distinctly a sign of strength.

This year a series of special subjects had been prepared by the United Board, and they were all calculated to bring the delegates back to a severely practical frame of mind in case they had been wandering somewhat afield at an earlier part of the proceedings. With one exception, they were all confined to internal policy. These questions ranged from the relative merits of high and low dividends to the methods of electing committees of management. It was an instructive debate on the former of these, and it might well have been prolonged. The discussion showed that the fallacy of paying high dividends by means of inflated prices had considerable hold on the movement, though only about twenty delegates voted against the official resolution, which condemned this unsound practice, and suggested 2s. 6d. in the £ as the maximum limit. The attempt to lower the rate of interest on

capital failed. It was a gain to get the Congress to go this length, but it is to be feared that this modest step forward was regarded by many who supported it as little more than a counsel of perfection.

Trusts and combines formed the subject which went wider than the co-operative movement. Here, again, the eagerness for the closure, unchecked, unfortunately, by the president, operated to the detriment of the fuller ventilation of this really important matter. As it was, however, several good points were made. For instance, the narrow outlook taken by some was met by a comprehensive view of industry as a whole. Then a stand was taken against panic-mongering. The trust was not allowed to become a bogey, but treated as a danger to be faced, not only with courage, but with confidence. What sounded strange to the orthodox co-operator and pernicious to the communists present, was the assertion that the antidote for monopoly was competition. This was given a home application, in the form of a plea for the retention of the co-partnership system as well as the Wholesale Society form of production. This view seemed to meet with favour, and if it is given effect to by the societies in their ordinary business transactions, something of a substantial nature will result from the discussion. Concentration has its proper function, but, to compete with the huge combinations of capital monopoly, must not be permitted to exercise its deadening influence on co-operation. It has been rightly called the most effective of consumers' safeguards against trusts, but to play this part properly it needs variety of choice within the co-operative domain.

The lasting impression left on my mind by the Doncaster Congress was the evidence it gave of solid achievement, of the material prosperity of the co-operative movement. There was, on the one hand, a sense of security, and, on the other, a disinclination to wander far from the beaten track. This has its strong side, but it has also an element of weakness in it. The danger is lest huge statistics shall obscure living principles. Co-operation was born of a holy desire to use material things for noble ends ; it is a form of social enthusiasm. To such a movement its trial time is the moment of prosperity, and one hopes that it will come out of the ordeal well. On the whole, the Doncaster Congress moved in the right direction, though the pace was not fast.

F. MADDISON.

**THE ECONOMICS OF COMPENSATION IN TEMPERANCE REFORM.**—Much, if not all, of the false reasoning so frequently applied to the compensation problem arises from a refusal or a neglect to begin the investigation early enough. The sale of intoxicating liquors by retail

is a monopoly, a strict local statutory monopoly. For convenience of supervision the State has granted to a limited number of individuals the exclusive right to retail beer and spirits (other beverages may, for the moment, be neglected). But this grant is accompanied by numerous restrictions and conditions, including an annual payment, which, in the case of spirits, varies with the rateable value of the house licensed. It is a fundamental condition that the licensee must regard himself as the servant of the public. *Quid* licensee, the innkeeper exists not for his own benefit, but for the convenience of his guests.

The licensee, therefore, takes his house, well knowing that he stands on a different footing from other tradesmen. He knows that his licence is granted for one year only, and he is perhaps unpleasantly conscious that his agreement with the brewer who owns his house renders him liable to be turned out at a few months' or even weeks' notice. He knows, too, that his best chance of retaining his licence is to make his house so influential a political centre that neither party will dispossess him, while his only hope of satisfying his brewer and landlord is to push, by every means in his power, the sale of beer.

Now this, as all fair-minded people must admit, is a most unsatisfactory state of affairs. Can nothing be done to remedy it? Two things are clearly wanted—a reduction in the number of public-houses as a check to competition in forcing consumption, and such a system of tenure as shall relieve the publican of his present incentive to fight for his trade. The publican receives his monopoly yearly, and pays an annual fee for it. He may, possibly, have paid death-duty to the Exchequer, which was assessed on the assumption that the licence would be renewed indefinitely. What happens if, in a given area, the number of licensed houses is reduced? *Ex hypothesi*, the number had been excessive, and the reduction, by checking competition, will increase profits. The total amount of trade done, although it will undoubtedly diminish, will probably not diminish in proportion to the reduction in numbers, and it is highly improbable that this diminution will exceed the saving in working expenses due to the closing of houses. Thus, if every house had belonged to one owner, it would actually have been to his interest to close some of them. Whatever is done should affect all publicans alike; the present method of shutting up one house in ten merely takes a lucrative trade from one person and distributes it among nine other persons. The source from which compensation should be derived is now clear—a levy from the surviving houses, based on their increased profits, will provide a sum sufficient for ample compensation to every dispossessed

licensee. If every licence for the district belongs to one owner, or even to two or three, no question of compensation would arise, as the manager of a tied house has no fixity of tenure.

But why, it may now be asked, has a licensed house so high a value as compared with an apparently identical but unlicensed house next door? The fact that a licence confers a monopoly is not in itself a sufficient answer. In rural districts the village inn has a value not much in excess of the village shop; in big towns the value of a licensed house may run into six figures, or ten times the value of its neighbour. This anomaly arises from the curious and inequitable scale of licence duties, which are so graduated as to make the small publican pay at a higher rate than his wealthy competitor. The scale for fully licensed houses (omitting alternate figures) speaks for itself.

Value.			Duty.			Per centage.		
			£	s.				
Under £10	..	..	..	4 10	..	..	..	45 and over.
£15 to £20	..	..	..	8 0	..	..	..	60 to 40
£25 " £30	..	..	..	14 0	..	..	..	56 " 46
£40 " £50	..	..	..	20 0	..	..	..	50 " 40
£100 " £200	..	..	..	30 0	..	..	..	30 " 15
£300 " £400	..	..	..	40 0	..	..	..	13 " 10
£500 " £600	..	..	..	50 0	..	..	..	10 " 8
£700 and over	..	..	..	60 0	..	..	..	8 and under.

Above £700 the increase in duty ceases, so that the scale resembles nothing so much as an income tax of eight shillings levied from poor men, half a crown from persons in easy circumstances, and sixpence from millionaires. Taking three lots of property of equal value in the aggregate :—

100 houses, at	£16 each, pay	£800
10 "	£180 "	£300
1 "	£1600 "	£60

Here at last is the real secret of the compensation and reduction difficulty; and with its exposure the remedy becomes plain. Every house should pay the same percentage on its rateable value, and if any difference be made the percentage should be higher in the case of the busier houses, because their working expenses are relatively less. There is no reason why any person who obtains a lucrative monopoly from the State should not pay a rent proportioned to the value of the privilege which he obtains. It seems a little absurd that the favoured monopolist should not only have enjoyed a lucrative privilege for many years, but should also claim a further sum of unearned money when his privilege comes to an end. He may argue, however, that

the State having made a mistake must bear the consequences, especially when the licensee at the moment may have recently paid a large sum for his house. Even if the moral claim either to renewal or compensation be allowed, it does not follow that the annual grant is to be renewed at the old rent. The State, as Mr. Asquith declared some months ago in a speech at Edinburgh, ought to exact some return for the monopoly it confers.

Were an adequate return exacted little would remain on which the claim to compensation could be based. All new licences should certainly be granted only on payment of nearly their full value. Old licences, perhaps, cannot at once be so assessed, but at least a greatly increased rent or duty should be exacted. This would become more obviously fair and reasonable if, in return for the increased duty, a statutory right were admitted by which the licensee, if dispossessed in pursuance of a reduction policy, should be entitled to the return of the duty paid by him in the last five or six years.

If the licence-duties on all kinds of houses, beerhouses, hotels, and wine-bars, as well as fully licensed public-houses were equalized and increased until they approached the sum which a licensee would pay rather than abandon his licence, several most desirable consequences would follow. Of these the most important are—a large revenue for the Exchequer or Local Taxation Account, a diminished monopoly-value in licensed property, and an increased security of tenure which should remove the publican's present inducement to "make his trade his politics."

J. E. ALLEN.

**STRIKES IN BELGIUM.**—This Report<sup>1</sup> is one of the publications of the Belgian Ministry of Industry and Labour. It is the duty of every mayor to announce the advent of a strike or lockout within his commune to that department, which then supplies him with heads of information to be filled up by him when the strike is over. The department despatches an emissary of its own to make local inquiries in the case of extensive or long-continued strikes.

During the four years under review 610 strikes took place, involving 1519 firms and more than 300,000 workpeople, the actual strikers numbering 162,637 men. Temporary suspensions of work for the purpose of political demonstrations have not been reckoned in this enumeration. While almost half the strikes were undertaken to secure higher wages, only a twentieth of them aimed at resisting a fall in

<sup>1</sup> *Statistique des Grèves en Belgique, 1896-1900.* [lxix., 211 pp. Lebègue. Brussels, 1903.]

wages. The right of combination and the defence of trade union officials were primarily involved in only 21 per cent. of the strikes, and strikes of this class were small, involving only 8.45 per cent. of the strikers. Only eleven strikes aimed at a reduction of hours of work. In 22.5 per cent. of the strikes for higher wages the workmen were successful, and in 17.3 per cent. a compromise between the combatant parties was effected. In striking for other objects the men were less successful.

There were only forty-four strikes lasting longer than a month, and two-thirds of the whole were ended within ten days. Estimated according to the number of men involved, results from the labour point of view were far less satisfactory, for 80 per cent. of the strikers were unsuccessful. This was because the majority of the strikers were miners, taking part in two or three very extensive strikes which failed. Of the strikes terminated by direct negotiation between the masters and men, and this was the case with five-sixths of them, two-thirds resulted in favour of the masters. Of those terminated by negotiations between organized bodies of the two parties, 54 per cent. ended in favour of the men. Only two strikes went to arbitration, and ten were settled by conciliation. It will be noticed that the department has collected its information primarily from official and capitalist sources, and appears to refrain from putting itself also, as a matter of course, in communication with the men's organizations where they exist.

C. H. D'E. LEPPINGTON.

THE NATIONAL CIVIC FEDERATION IN AMERICA.<sup>1</sup>—The growing tolerance that is one of the most striking characteristics of the mental attitude of the day, though it threatens at times to decline into an easy indifferentism, affords, on the other hand, and especially in all those burning questions where indifferentism has not yet begun to be a danger, the surest ground for hope of a righteous settlement. And both masters and men in trade disputes are saved from indifferentism; neither have come to the stage of not caring for the issue of the points in dispute. During the first stage of all progressive movements both parties are red-hot partisans, sceptical of good in their opponents' arguments or intentions. The second stage is often ushered in by sheer weariness, and both parties consent to listen to what the other has to say. Thirdly, after much talking, they agree as to a few main principles, but appear to be as far as ever from accord in matters of detail. Fourthly, they declare they were always in accord in matters

<sup>1</sup> *Report of Industrial Conference.* Under the auspices of the National Civic Federation. Held at New York, December 8, 9, 10, 1902. [The Winthrop Press. New York, 1903.]

of principle, and the discussion upon these becomes peaceful and academic. Details still cause dispute; some get settled; others still are red hot in the glow of clashing opinions. Nevertheless, the quarrel is going the way of all its predecessors, and it is possible to foresee a far-distant day when this fire will have burned itself out, and the materials involved in it will have resumed the dead-level temperature of the rest of the world, when, perhaps, our descendants will regret the red heat, which, after all, be its immediate results what they may, has always been, and seemingly always will be, a necessary condition for the making of a world.

The National Civic Federation could have been called into existence only when the second stage of the industrial dispute was well advanced. For the Civic Federation is a recognition of the fact that there is a problem, and that there is something to be said on both sides of it: "it is attempting logically to bring capital and labour into closer touch, to discuss the various problems that affect both sides calmly and dispassionately." The "Federation is made up, not only of capitalists but of 'labourists,'—men who have made a study of the subject from their own point of view, who feel strongly what is right from their own point of view, and who yet are broad-minded enough to recognize that others may see and help to solve problems which they themselves only see in part." Already, in this third year of its existence, the Federation has advanced beyond discussions on the general subject of conciliation and arbitration; practical questions, such as apprenticeship, piece and premium methods of payment, the use of machinery, restrictions of output, hours of labour, employment of non-unionists, the boycott, the system of joint trade agreements, all came before the Conference. Disagreement between speakers was profound—notably when discussion touched on the Bill before Congress proposing to extend the present eight-hour law, which now applies to Government employees exclusively, to all contract work done for the Government. But all questions were discussed freely and fairly; and had they not been burning questions they would not have been chosen for discussion by the Conference.

To English readers, the speeches of Mr. Alfred Mosely and of Mr. G. N. Barnes will be interesting, although their opinions, and those of the other delegates who visited America on Mr. Mosely's invitation to study trade conditions there, have already been widely quoted in this country.

E. A. BARNETT.

**THE RECENT STRIKE OF WELSH WEAVERS.**—A few months ago the weavers in the neighbourhood of Llandyssil, Cardiganshire, were asked by their employers to accept a reduction of 10 per cent. in their

wages. The men met this request with a counter demand for 10 per cent. advance, and, in consequence, work was stopped till September 24. The strike is now at an end, without having effected any serious result, as masters and men have agreed to go on as before ; but it may serve to draw attention to an interesting and flourishing industry.

Owing to the abundant and practically never-failing rainfall, every valley in South-west Wales is well supplied with water-power, of which hitherto little use has been made. Of late years, however, while the flour-mills have been almost idle, the woollen and flannel factories have become busy and numerous. Attached to each of these establishments there are usually about a dozen cottages, new and neat, contrasting painfully with the decay of many of the labourers' cottages in other parts of the same valley. The weavers' wages do not seem to be appreciably higher than those of competent farm labourers. The sum usually paid is 17*s.* or 18*s.* a week, deducting 7*s.* for board and lodging when these are found. A man may earn about 4*s.* more when paid by the piece. Young lads, however, seem to prefer factory to farm work, so that the employers at the factories find no difficulty in securing as many men as they require on easy terms, while the farmers are often compelled to employ raw and unsuitable boys from the industrial schools.

It does not appear that any of these small manufacturers have ever shown enough enterprise to amass a large fortune, but there is good reason for the belief that, whenever they are competent and industrious, they may reckon upon a fair amount of success. Of late years there has been a marked improvement in the buildings and machinery, although the latter is seldom of the most modern and best description. The interest taken in their output by ladies who have got up the Welsh Industries Exhibitions has also given the masters heart, and has served to encourage enterprise and to improve the quality of the goods produced.

In many respects the same primitive habits prevail as a hundred years ago. Thus each manufacturer attends the neighbouring fairs and weekly markets to sell his own cloth and flannel ; though a considerable quantity is sent to the large wholesale houses of Glasgow and other places, where it probably loses its nationality. But, as it is always of a warm character, and generally heavy, the stock often increases during the summer months to such an extent as to cause alarm lest it cannot be cleared off in the autumn and winter. The late trouble probably arose in this way ; and while the cold and dreary summer has brought so many ills to others, it has perhaps helped our Welsh weavers to get rid of their goods and keep their men together.

CHARLES CHIDLOW.

## LEGISLATION, PARLIAMENTARY INQUIRIES, AND OFFICIAL RETURNS.

FROM the Labour Department come the *Report on Changes in Rates of Wages and Hours of Labour in the United Kingdom in 1902* (Cd. 1562, 8vo, 138 pp., 8d.), and the *Report on Strikes and Lock-outs in the United Kingdom in 1902* (Cd. 1623, 8vo, 132 pp., 6½d.). The first shows little trace of that ruin of the country over which it delights so many people to mourn, and for which they propose such disastrous remedies. It is true it indicates a fall of weekly wages amounting to £72,700; but this is a little less than the decrease in 1901, and the two decreases together do not nearly equal the increase in 1900. We cannot expect to find absolutely uninterrupted progress year by year, and it is surprising that the apparent close of a period of considerable inflation has not been marked by a larger drop. We must however, of course, remember that the full extent of the loss of income to the wage-earners is not completely measured by the alteration in rates of wages, since rises of rates are usually accompanied by increases in overtime, and *vice versa*. On the other hand, the perpetual increase of the better-paid classes of labour in proportion to the worse is entirely overlooked in a mere comparison of wages for particular classes of work. Such as it was, the recorded decrease of wages was wholly due to the fall in coal-mining.

Strikes and lock-outs regained none of their lost importance in 1902. The number of disputes, which was 719 in 1899, 648 in 1900, 642 in 1901, fell further to 442. The number of persons affected—256,667—was somewhat higher than in the last few years, but the aggregate of time lost—3,479,255 days—was less than in 1901, though not so small as in 1899 and 1900. That both these last figures were not the smallest on record seems to have been due entirely to the strike of 16,000 pit lads, which threw out 85,000 men not directly concerned. The average amount of time lost by the whole manual labour class, owing to these disputes, is considerably under half a day per annum.

The *Report on Wholesale and Retail Prices in the United Kingdom in 1902, with Comparative Statistical Tables for a Series of Years* (House of Commons Paper, 1903, No. 321, 8vo, 510 pp., 2s. 1d.),

is said by Mr. Llewellyn Smith to have been the result of an elaborate inquiry which has occupied several years, and to have been brought out rather earlier than was intended, "in view of the great amount of public attention now being devoted to all questions affecting prices of commodities, and the cost of living of the working classes." Doubtless the disputants on each side of the alleged "fiscal controversy" will be able to extract arguments good, bad, and indifferent from the five hundred pages thus provided for their consumption. Their energy in this direction is sufficient to extract blood from a stone. But it is difficult to see that the contents of the volume afford any considerable assistance to a person of tolerable intelligence and ordinary knowledge. The facts as to the general course of prices were very well published during the bimetallic controversy, and they throw little or no light on the comparative merits of free-trade and protection or colonial preference. If the free-trader enlarges on the fall in the cost of living since the improvements in transport made free-trade important, the protectionist can always retort that prices have fallen at other times in this country, and at the same time in protectionist countries. And, after all, it is not low prices merely but a high capacity to buy things which is desirable, and that capacity may come from high income as well as from low prices. Whether free-trade or protection is most likely to produce high purchasing power on the part of the people is a question to be settled by common sense rather than by statistics and an appeal to the slippery things called "facts." If statistics must be dragged into the discussion, the most useful contribution would be tables showing the relative decline of ill-paid and relative increase of well-paid occupations, since every one admits that the shifting of the labour force of the community is in great measure the result of free-trade. The "decline of British agriculture" might sound considerably less alarming if called "diminution in the number of persons earning less than fifteen shillings a week." Apart from the current controversy, the volume is of value owing to its convenient presentation of the results of the inquiry in an index-number chart covering the whole of the nineteenth century, and to the large number of retail prices collected in it. Mr. Fountain's discussion of the manner in which an index number should be formed will interest specialists. It may be questioned whether Mr. Fountain's, like other discussions on the same subject, would not gain something in clearness if it were stated at the outset that different index numbers are, strictly speaking, required for each class of income, if not for each individual. It is no good to tell a man that the general purchasing power of money has increased, if it has not increased in regard to the things which that

particular individual ordinarily buys. Consequently, if a single index number has to be chosen, it should give more weight to the consumption of the most numerous class than to an equal consumption of a smaller class. The existing index numbers actually do this, but it is rather by accident, and the fact is not insisted on as a merit. A defect which they seem to possess is giving too much weight to things such as pig-iron, of which an immense proportion of what is inaccurately called the "annual consumption" consists not of real consumption, but of additions to capital. Mr. Fountain aggravates this by dragging in bricks (the price of which, by the way, he curiously gets from the stony Glasgow). The cheapness or dearness of the additions to capital should obviously not enter into the composition of an index number intended to be founded on consumption, and so the amount of pig-iron and bricks should be only the amount destroyed or lost in the year. However, no amount of refining will ever make the measurement of purchasing power anything but the roughest approximation, which will always be disputed by any one with a strong bias in favour of the past or the present. If we could argue on a typical family budget involving £100 a year, and show that everything actually bought in 1873 with that sum could now be bought for £80, we should be doing a great deal; but that is nearly impossible, and even if it could be done, a number of perplexing questions might be raised.

*British and Foreign Trade and Industry: Memoranda, Statistical Tables and Charts prepared in the Board of Trade with Reference to Various Matters bearing on British and Foreign Trade and Industrial Conditions* (Cd. 1761, fol., 507 pp., with many charts, 3s. 6d.) is the voluminous title of the book which contains the results of the famous inquiry into the merits of free-trade policy. *Parturiunt montes*, and there issues a blue-book containing a quantity of statistics most of which have been published before. It will probably not affect the judgment of ten persons in the whole country. Those who were protectionists or preferentialists before will be protectionists and preferentialists still; those who were free traders will remain free traders; and those who could not make up their minds will be still unable to do so. It was a desperate undertaking to attempt to settle a question of this kind by reprinting a few statistics, when what was wanted was a good deal of common sense and a little skill in economic reasoning.

Perhaps the portion of the book which has attracted most attention has been the tables which show, by the help of some very uncertain and perhaps misleading statistics, that exports from the United Kingdom to countries and colonies with protective systems have declined in comparison with exports to other countries and colonies.

But what a little way this takes us ! There are no means of deciding how far the change said to be shown is due to protective systems, and how far to the fact that the countries with protective systems are just the countries to which exports might be expected to languish even if they had pursued a free-trade policy. Moreover, it is useless to consider the direct exports without taking into account the indirect. The decline of direct exports from the United Kingdom to a particular country to pay for imports from it may be due to the fact that it has become more profitable to export to a third country, which in turn exports to the second country. If, for example, we take to paying Germany *via* Johannesburg instead of direct, a decline of direct exports to Germany may be the result of gold discoveries on the Rand, rather than of German tariffs ; yet such a change would decrease the exports to "principal protected countries" in comparison with those to "other countries and colonies." Of course no one, at least no moderately intelligent and educated person, denies that protective tariffs tend to diminish imports into the protected countries. If the statistics tell us anything at all, they rather suggest that the general effect of protective tariffs in this way is not quite as great as the "mere theorist" would expect it to be. Of course, whether the effect of protective tariffs is great or small, it is desirable to take any effective and innocuous means of abolishing them, but the blue-book certainly does not inform us that we have any such means. If protection in foreign countries is bad, or even very bad, for us, it does not follow that we should do well to adopt retaliation, simple protection, or preferential tariffs.

Confronted by these or similar reflections, some members of the Government appear to have bethought them that a comparison of the prosperity of the United Kingdom and other countries would show whether a free-trade or protectionist policy was best. Several of the tables give comparative statistics upon this point. The most interesting is, perhaps, the one which compares the changes in wages in the various countries. The protectionists were doubtless delighted to find that German wages are said to have increased the fastest in the last twenty years ; but their faces probably fell when they went on to read that the United Kingdom shows the second greatest rise, and the United States the least rise of all. If the table is to be believed, wages in the United States were actually higher in 1873 than in 1900. There are, of course, plenty of causes of prosperity and higher wages besides Government policy as to foreign trade, and no considerable country exists of which the foreign trade is large and important enough to make changes in government policy with regard to it powerful enough to be plainly obvious in statistics of wages.

More useful in proportion to its bulk is the little return moved for by Mr. Fuller, stupidly entitled *Trade (Colonies and United Kingdom)*, (House of Commons Paper, 1903, No. 262, fol., 15 pp., 2d.), which shows the trade (including bullion) of each British colony and possession with (1) the United Kingdom, (2) other British possessions, and (3) foreign countries, during each year from 1890 to 1900. The imports and exports of the whole of the colonies and possessions from and to the United Kingdom are not far from equal, but the exports to foreign countries ordinarily largely exceed the imports. It thus appears that the colonies and possessions pay the interest and other charges due to the mother country by means of exports to foreign countries which help to pay for the United Kingdom's imports from those countries. The trade of the colonies and possessions with foreign countries is considerably less than their trade with the United Kingdom, whence follows the fact, which will appear curious to some people, but is really exactly what we should expect, that the external trade of the British Empire is considerably less than that of the United Kingdom.

It is a pity that *Imports and Exports* (House of Commons Paper, 1903, No. 214, fol., 3 pp., ½d.), a return moved for by Mr. Lambert, showing the trade of the United Kingdom with foreign countries, self-governing colonies, India and other British possessions separately for the periods 1881-85, 1886-90, and each year since, excludes bullion. This makes it impossible to compare the British Board of Trade statistics in this return with the Colonial and Indian government statistics in the return just noticed. If this could be done, some enlightening discrepancies would probably emerge in the valuation of the same goods at the different ends of their journey. Bullion and specie ought always to be included in these trade figures; their exclusion is a mere relic of the mercantile system.

The *Statistical Tables relating to Emigration and Immigration from and into the United Kingdom in 1902* (House of Commons Paper, No. 188, fol., 68 pp., 7d.), give the total of immigrants as 944,498, and the total of emigrants as 1,023,090. The net emigration was thus 78,592, as against 48,845 and 43,381 in the years immediately preceding. It may be remembered that the census of 1901 showed that the estimates of emigration and immigration for the decade had somehow exaggerated the number of emigrants, or, as was more likely, unduly reduced the number of immigrants. The present return, owing doubtless to this discovery, mentions that something should be added to the immigrant ranks on account of children which some of the steam companies trading with the Continent do not trouble to count.

EDWIN CANNAN.

## REVIEWS.

PRINCIPLES OF ECONOMICS. By DR. N. G. PIERSON.

Translated from the Dutch by A. A. WOTZEL. [Vol. i. xxx., 604 pp. 8vo. 10s. Macmillan. London, 1902.]

The first volume of this translation of Dr. Pierson's *Leerboek* consists of two parts, the first on "Value in Exchange," and the second on "Money." The first of these includes dissertations upon rent, interest, profits, and wages. Dr. Pierson postpones the treatment of production to the second volume, on the ground that production "is engaged in with a view to securing a profit, and this profit will not be secured unless the value of the profit exceeds the outlay. This outlay includes rent, interest, and wages ; so that whatever we are told about production must necessarily be very incomplete until we have been told what regulates rent, interest, and wages." In other words, the existing motives to production are supplied by the existing system of distribution, and therefore distribution must come first. I doubt the cogency of the argument. Even at present the whole of production is not actuated by motives supplied by the existence of private property and exchange, and even if it were, it seems desirable to begin by explaining the many and important economic doctrines about production which are altogether independent of systems of distribution. The so-called law of diminishing returns or theory of population, the explanation of the origin and use of capital, the classification and explanation of the advantages of division of labour, can all be dealt with without assuming any particular system of distribution. Consumption Dr. Pierson rules out altogether, as he believes it cannot be treated separately without impoverishing the other departments. Here, too, I doubt if he is right. It would appear to be convenient to treat production and distribution as the production and distribution of quantities of goods and services, and to deal with the relation between economic goods and material welfare under "consumption."

However, it is really of not much importance how economic treatises are arranged, especially when they are so long that they are seldom read straight through from cover to cover, and, taking Dr. Pierson's work as he finds it, the reader will have no difficulty in

recognizing its many good qualities. The most important of these is the excellent adaptation of abstract theory to actual problems. Some recent works seem to deal with an unreal world, represented chiefly by two lines at right angles and a curve, while others are a jumble of remarks on a selection of practical economic questions. Dr. Pierson seems to have hit a happy mean between these two extremes. This is particularly the case in the first chapter in part i., in which the theory of marginal utility is shown to be really useful, instead of a mere plaything, as many of its minor expositors seem to imagine it. So, too, in the next chapter, on "Rent," we find the author explaining a most important fact constantly overlooked in economic treatises—the fact that rent, wages, and interest show people what they ought to produce, and practically compel them to produce the things which are, roughly speaking, the most required. The third chapter, on the "Rent of Houses," is, indeed, perhaps a little too practical for a general economic treatise, but this is a fault which may be forgiven, considering the urgent want of some regard for economic forces in dealing with the subject.

In chapter iv. the difficulty of dealing with distribution before production becomes apparent. Dr. Pierson's explanation of the nature and origin of capital is by no means so clear as it would probably have been if he had begun with production. He says that capital is destroyed when a Government contracts a loan to cover a deficit in its ordinary expenditure, or to defray the cost of a war. But this need not be the case. What often happens is simply that in the year (or other period) of the extraordinary Government expenditure a smaller addition than usual is made to the capital of the country. If the ordinary annual savings of a country amount to £250,000,000, and extraordinary expenditure in a particular year amounts to £200,000,000 and is all raised by loan, no capital is destroyed, but the addition to capital is £50,000,000 instead of £250,000,000. This cannot be called destruction of capital, it is merely a smaller creation. Dr. Pierson's explanation of the causes of rises and falls in the rate of interest, though far more satisfactory than many expositions which have appeared since Böhm-Bawerk wrote, scarcely does justice to the effect of different kinds of invention in increasing and diminishing the rate by altering the marginal utility of the capital.

In regard to monetary problems the book sometimes appears a little out of date, and the reader wonders why this English edition, published last year, should quote no later gold value for the rupee than that existing at the end of 1894 (1s. 0½d.). There is not much to object to in Dr. Pierson's exposition of "the new theory of bimetallism, in which

most prominent writers of the day concur," except the usual fundamental error of bimetallists, the assumption that people are just as ready to lug about fifteen or an even larger number of ounces of silver as one ounce of gold. He says that, if the legal ratio were 106·32 florins the kilogramme of silver, and the market price dropped to 106 florins the kilogramme, all the bankers in Holland would try to get possession of as much silver as possible in order to gain the one-third per cent. I do not believe sensible bankers would do anything of the kind. I know that, if my bank began to ladle me out pounds avoirdupois of silver instead of ounces of gold, I should promptly transfer my account to some other institution. It is a curious thing that the ablest bimetallists persist in overlooking that, in moderately rich countries, gold fulfils one of the elementary requirements of currency, sufficient value in small bulk and weight, better than silver, and that it is this fact which has led to the permanence of the substitutions of gold for silver standards, and which forms an insurmountable obstacle to that indifferent use of gold and silver as currency which is requisite for the success of international bimetallism.

We look forward with great interest to Dr. Pierson's second volume. If it is equal to his first volume, the translation of the whole will be a very valuable addition to English economic literature. I say English economic literature without hesitation, because the translator has performed the unusual feat of producing real English.

EDWIN CANNAN.

**A HISTORY OF ENGLISH UTILITARIANISM.** By ERNEST ALBEE, PH.D., Instructor in the Sage School of Philosophy, Cornell University. [xvi., 427 pp. 8vo. 10s.6d. Sonnenschein. London, 1902.]

Dr. Albee's careful and scholarly *History of English Utilitarianism* challenges no comparison with Mr. Leslie Stephen's *English Utilitarians*. He is concerned with "the development of an abstract ethical theory, and not with the practical corollaries, social and political, which by some have been supposed to result from the theory." Utilitarianism, or universalistic hedonism—the type of ethical theory in question—sets its ideal of conduct in "the greatest happiness of the greatest number," however that formula be expressed or interpreted. If the question be put, What is happiness? then, if the answer be, A sum of pleasures, the further question is invited: Are all pleasures commensurable? But perhaps happiness, on closer inspection, may turn out to be not a sum of pleasures at all, but some form of "self-realization." And what is man's original nature? Is he a purely

egoistic animal or not? If not, then the problem of the moralist becomes, at least apparently, easy. But if he is—and to this view the strict utilitarian is required to adhere—how comes it that each on seeking, as he must seek, his own happiness, can ever find his interest in the happiness of all? Man is selfish; he *ought* to be altruistic. How, then, to elucidate the fact of obligation, and to explain the possibility of a transformation without invoking a miracle? Several devices have presented themselves to several thinkers: the association of ideas, the principle of oblivescence, the analysis of sympathy, the antithesis between prudence and impulse, an external political sanction, or an all-powerful and all-benevolent Deity. (The last solution has certainly the advantage of effecting a prodigious simplification.) The history of these questions and of the attempts to answer them is the history of English utilitarianism.

Why Dr. Albee should have placed Bishop Cumberland rather than the object of his attack—Thomas Hobbes—at the head of the line of English utilitarians, is not quite clear. Hobbes's "Laws of Nature" are the very code of utility—the "golden rule" expanded and interpreted by strictly utilitarian considerations. The sanctions supplied are, it is true, singular; no doubt Hobbes wears his utilitarianism with a difference. Nevertheless, but for Hobbes, it may well be doubted whether there would ever have been a school of utilitarians to speak of. That there was one, is due, not so much to the fact that moralist after moralist felt called upon to answer Hobbes, as that most of them confessed to the spell of his logic by answering the questions as he framed them. While noting omissions, it may be suggested that Butler might well have received some special notice. Not that the bishop's ethical philosophy can be squeezed into the utilitarian category, but because of the evident strand of utilitarian argument intertwined with it, which supplies the most eloquent testimony of the grasp of the theory on the English mind. And why does Adam Smith fall altogether out of the series? Surely he has a claim to consideration.

Hume, says Dr. Albee, was the first to hold the utilitarian doctrine in its unmistakable form, and at the same time to admit and defend the altruistic tendencies of human nature. He is inclined to regard his *Inquiry* as "the classic statement of English utilitarianism." At any rate let this be credited to Hume, that the question he chiefly concerned himself with was not, Can all human motives be reduced to considerations of self-interest? but, Why utility pleases? *i.e.* Why am *I* gratified with the contemplation of a utility which is of no use to *me*? It is, however, hard to follow Dr. Albee in his contention "that the *Inquiry* is not only a clearer, but a better statement of Hume's ethical

theory than the third book of the *Treatise* ;” for (1) the excisions are only of what is really irrelevant ; and (2) the “exasperating ambiguity” of his earlier treatment of sympathy is cleared up. Hume’s own judgment is no doubt right as a literary one. The *Inquiry* is more plausible and more attractive ; but the gain is neither in depth nor in precision of thought. Some youthful paradoxes are modified or softened, maturity and reflection have given a certain detachment of view and a redistribution of values. But the ardour and the vigour of the youthful system is lost irrevocably. The *Treatise* is painful reading ; it bristles with difficulties ; its solutions are unsatisfying ; the gaps in the argument are patent. But it is honest, and marked with an unmistakable stamp of genuine effort. That can hardly be said of the *Inquiry*. Here Hume has not only pruned the redundancies and digressions of his youthful work ; he has lost the ardour of the quest for truth. He is no longer the discoverer, but the judge—a judge genial and tolerant enough. Many problems which once exercised him exercise him no longer, not because they are not real problems, but because he has lost real faith in his own solutions and has come to despair of any others. His long apprenticeship to literature has taught him the art of elusion.

The student of Hume must use both the *Treatise* and the *Inquiry*, but not regard them as independent versions—an earlier and a later—of Hume’s ethical system. Compression or elision in the *Inquiry* is not always to be taken as proof of a change of view. The *Inquiry* often implies the *Treatise*, and not to have recognized this seems to me to weaken the force of much of Dr. Albee’s criticism. I do not, for example, find any real advance in the treatment of sympathy in passing from the *Treatise* to the *Inquiry*. In the latter work no attempt is made to substitute any other analysis ; no attempt is made to give any explanation at all. In the *Treatise* man is represented as constituted by nature a selfish animal, yet virtue and benevolence are admitted facts. Here is a real problem, and Hume grapples with it stoutly. In the *Inquiry*, although self-love is a principle of extensive energy, yet we are told it does not exhaust the content of original human nature. But no attempt is made to estimate the relation between the two principles. Hume now finds it easier to start with sympathy as a postulate, “to account, in great part, for the origin of morality.” Nor does he, in the *Inquiry* any more than in the *Treatise*, succeed in transforming impulse into virtue, “limited generosity” into “extensive sympathy.” But in the *Treatise* he does make a serious attempt—an attempt which compares very favourably with the weak and watered revision of the passage in the *Inquiry*.

In the latter and larger half of the volume Dr. Albee traces out the transformation of the old formally consistent utilitarianism into a larger and more liberal theory. John Stuart Mill, Herbert Spencer, and Professor Sidgwick have each, in his fashion, striven to enlarge the borders of the utilitarian creed at the expense of logical consistency. With all their diversity, they have all agreed to do justice to the concrete moral ideals, which had been well-nigh lost sight of or explained away in the earlier and more abstract form of the utilitarian theory. It would be impossible, within the limits of a review, to follow the writer in detail through these excellent chapters of close yet appreciative criticism. But it is just to indicate the theses which his studies of John Stuart Mill and Herbert Spencer have led him to support. What could be truer than his final estimate of Mill? "This almost mechanical combination of the old and the new, which one so often discovers in Mill's ethical writings, must not blind us to the fact, that to him we owe the modern form of utilitarianism more than to any other single influence. . . . His incautious admission of 'qualitative distinctions' between pleasures has, of course, been avoided by later writers of the same school; but it would hardly be possible to estimate the extent of his influence in the direction of humanizing the utilitarian doctrine, and making it square with the highest concrete moral ideals. The social nature of man, and the complexity of that nature, were recognized by him almost from the first, and though he never himself accepted the theory of organic evolution, he did much to prepare his contemporaries to recognize the importance of the idea of development as applied to ethics. In his hands the older analytic utilitarian method was gradually transformed into the synthetic method of to-day. And not least remarkable is the fact, that this professed agnostic did more than any of his theological predecessors to bring utilitarianism into touch with the higher, more ideal side of religion. Seldom indeed has a personality counted for more in the whole history of Ethics."

Turning to Herbert Spencer, Dr. Albee endeavours to show that though he is, and will probably continue to be, regarded as the founder of evolutionary ethics, though he has avowedly and earnestly attempted to rehandle ethical problems in the new light of organic evolution, he has not really succeeded in moving very far from the position taken up in his earliest ethical work on *Social Statics*, in which he showed himself practically an Intuitionist as regards Justice, and proposed to treat the remaining principles of morality after the fashion of traditional utilitarianism. Dr. Albee makes fair use of Mr. Spencer's candid admission: "The doctrine of Evolution has not furnished

guidance to the extent I had hoped. Most of the conclusions, drawn empirically, are such as right feelings, enlightened by cultivated intelligence, have already sufficed to establish." Many students of the *Principles of Ethics* will have come to the same conclusion.

W. G. FOGSON SMITH.

LOCAL TAXATION IN ENGLAND. By J. Row-Fogo. [400 pp. Cr. 8vo. 6s. net. Macmillan. London, 1902.]

The defects of our present methods of local taxation are generally admitted—defects which, while they press most hardly upon the poor, yet also involve a serious burden upon many who do not come within that category. The injustice in question primarily consists in an unfair distribution of rate-burdens. It would be difficult to exaggerate the extreme complexity and confusion of the subject; and, where students and experts fail in uniform guidance, it is not surprising that ratepayers neither know what reform to ask for, nor politicians what reform to offer. The book now under review represents a laudable and painstaking effort to supply the ordinary reader, in an easily intelligible form, with information on this important subject.

In his "preliminary survey" Mr. Row-Fogo expresses the disappointment which all must feel at the findings of the Royal Commission on local taxation. After five years of deliberation no reform is proposed; and all that is recommended is an increase of some £2,000,000 in the subvention for relief of local rates from national funds. They admit that local taxation is inequitable, but confess their inability to alter it. With regard to grants in aid of rates paid by special sections of the community, farmers had been relieved before the Commission was appointed; and, by an interim report, the same has been granted to the clergy. No one questions the injustice under which both classes laboured, but the principle of differentiation is certainly unsound; and the only security against its extension is a recommendation to the Government to that effect. It can scarcely be denied that the Commissioners' report is a lamentable example of feebleness and ineptitude.

The first part of the book deals with local rates for defraying expenditure on matters of national interest, and opens with a historical inquiry on the origin of rates. This is usually, but incorrectly, held to be founded on the Poor Law Act of Elizabeth (1601). But though this Act indicates the persons to be taxed, it is silent as to how rates are to be imposed. This was left to "the good discretion" of the local authorities. From time immemorial, local authorities levied rates according to ancient custom; and to this day they continue to do so.

Judicial decisions have stereotyped ancient local usage ; and Acts of 1836 and 1840 have codified the case-law and various pre-existing practices ; but no Act has ever introduced any new principle into local finance. All historical inquiry goes to show that our local rates are the lineal descendants of old exclusive taxes on movables, and discovers no intention of taxing real property. The Act of Elizabeth is nevertheless important as, owing to the dissolution of the monasteries, the central Government was forced to consider some statutory means of relieving the poor, and this Act marks the first occasion on which the legislature was drawn into the subject of local taxation.

In any discussion of the system of rating, it is essential to arrive at some agreement as to who pays the rates. Is it (1) the landlord, (2) the tenant, or (3) both landlord and tenant? Mr. Row-Fogo's own conclusions on the whole matter are as follow :—

A. (1) There is no hereditary burden theory in the case of a uniform inhabited house duty. (2) There is, according to strict science, a small transfer on to landowners as far as house-rates are unequal from district to district. But (*a*) it is doubtful whether, in practice, inter-parochial migration is brought about by rates ; and (*b*) if it is, then the hereditary burden is counterbalanced by an hereditary bonus.

B. In the case of rates on trade premises, uniform rates throw no payment on owners. To varying rates the same conclusions apply as above (2).

C. Agricultural rates, as far as they throw a differential burden on farmers, are theoretically paid by landlords. Under actual conditions, the hypothetical laws of political economy are surrounded by so many difficulties that the views of mere doctrinaires cannot carry weight against the recorded observations of practical experts.

The way, therefore, lies open to the reformer, for all rates are paid by the ratepayer.

It is generally admitted that the principle of taxation, according to ability, is sound and equitable. The nation raises a large part of its income on this basis—*income-tax*, death duties, and inhabited house-duty ; but the larger part is raised by indirect taxation incidental to use and consumption, which makes no claim to tax according to ability. To the question, Ought local authority to copy this system ? Mr. Row-Fogo replies in the negative, because it would involve introduction of *octroi-duties*. The objections raised by the Commissioners to local taxation according to ability, are based on the inherent characteristics of local taxation, namely, inequalities of wealth among local areas, and the difficulty of saying who “belongs” to a parish. These

difficulties are present, however, in the existing system. Two lines of reform are presented (1) on the lines of direct assessment of income, and (2) on the lines of indirect assessment. The chief objection to a uniform rent-tax is, that as a criterion of ability to pay, it breaks down at the extremes of the social scale. For the very rich it is inadequate, and for the very poor it is unjust and excessive. Apparently, however, there is no alternative but to make the best of a bad case. By adopting the example of Paris, in giving total exemption to the very poor, and partial exemption to those who pay low rents (on a scale to be determined by local conditions and circumstances), we remove the most flagrant cases of inequity ; but to go farther leads to assumptions which are purely arbitrary.

Turning to real property, which is used for purposes other than for dwelling-houses, we must distinguish between that which is not used for gain, and that which is. In the first category exemptions are freely exercised—complete or partial. The Commissioners do not recommend their repeal, but they strongly report against their extension, though on reasoning which is both “infelicitous” and “grossly unfair.” In the second group, farmers and clergy have had abatements which are recognized by the Commissioners as demanded in common justice. Whether the amount of abatement fully satisfies the demands of justice is open to question, but with the general equity of the abatement it is impossible not to agree. The arbitrary exclusion of all other claims to consideration, especially with regard to the rating of industrial concerns, the author regards as unjustifiable. As to the latter, the assessment of properties is no test of the occupier’s ability to pay. Moreover, the assessment of annual value is extremely difficult and laborious. Far better results are obtained both in France and Prussia, but under conditions which preclude the direct application of either method to this country. The best plan of getting more closely to an assessment of each occupier’s “ability to pay” has yet to be found.

A chapter on national subventions, while recognizing the objection to them in principle, admits their necessity as a matter of expediency. The real difficulty lies in the principles by which their distribution should be guided. The distribution, according to the necessity of respective districts, appears to be the right one ; but the task of discrimination is beyond the capacity of central government, and our author inclines to the plan of assigning the task to what he calls “Provincial Local Government Boards.”

In the second part of the work, which deals with rates for defraying expenditure on matters of local interest, Mr. Row-Fogo first discusses

the circumstances under which local rates became amalgamated, and, while recognizing the force of the reasons which led the Poor Law Commissioners of 1843 to recommend the statutory recognition of such amalgamation, he is of opinion that they do not hold good at the present day.

With regard to the principles which should regulate the imposition of local rates of this class, he repudiates the so-called "benefit theory." As applying to national taxation, and local rates for national purposes, this theory is very generally discarded; but, curiously enough, the experts consulted by the recent Royal Commission unanimously accept its application to local rates for local purposes. It is clear that if this were really true, no reform of such rating is required, because rates in that case are only payments for value received. The Commissioners affirm (1) that the benefit of purely local expenditure can be measured; and (2) that rent is the measure of this benefit. According to this view, a local community would be a kind of co-operative association, appointing a managing committee to perform certain work for them, which can be done more efficiently by co-operation than by individual enterprise—a sort of "joint-stock principle." Our author traverses this attitude with considerable force, and says that the two things are not parallel to each other. He holds that a local area is not a co-operative combination, but a decentralized government. He further asserts that there is no essential difference in principle between "national" and "beneficial" rates, and suggests that the terms should be discarded in favour of the terms "obligatory" and "optional." But seeing that optional functions become obligatory when once they have been decided upon, all rates are of the nature of "forced exchange," and the only questions are, *who* should pay, and *how much* should each person pay? With regard to municipal enterprises, such as water, gas, and electric light supply, tramways, and markets, it is obvious that the cost of service should fall on those who are benefited, and that, in justice, charges should be adjusted so as to meet expenses or at least to prevent loss; but if profit is made, it should be applied in relief of general rates and not of particular interests.

Whatever criticism may be applied to the various conclusions to which Mr. Row-Fogo arrives, few will be disposed to dispute his statement that the first step towards reform of local taxation should be a reconstruction of the administrative framework of local government, with such simplification and arrangement of its duties, that a man of common sense can grasp them and take an interest in them.

ALFRED H. CARTER.

OLD AGE PENSIONS: A Collection of Short Papers. [247 pp. Crown 8vo. 2s. 6d. net. Macmillan. London, 1903.]

In view of the bribe attached by Mr. Chamberlain to his proposed new fiscal policy, the question of pensions for the aged comes more than it has hitherto been within the range of practical politics. At this juncture, then, this series of papers on the subject is extremely useful and timely. It is published at the psychological moment. It is true these papers are all written from what may be regarded as the Charity Organization point of view, and for the most part by persons connected with that society, and their united opinion as to the introduction of old age pensions may be likened to *Punch's* celebrated advice to those about to be married, and expressed by the one word, "Don't."

Nevertheless, the papers are well worth study, and may be commended especially to Mr. Chamberlain's most careful consideration; for the various pension schemes which he has propounded, or supported, have always been of the nature of grants in aid of thrift; and he has always treated Mr. Charles Booth's proposals for universal pensions as "quixotic, ruinously expensive, and outside the range of practical politics." Whatever else the writers of these short papers may or may not succeed in doing, they certainly do succeed in showing that no scheme which has been suggested for endowing thrift can be regarded as satisfactory, and that every attempt which has been made in that direction has failed.

For instance, in ch. v. we find an admirable abstract of the Report of Lord Rothschild's Committee in 1898, which, after examining upwards of one hundred pension schemes proposed by various persons, concluded in the following words: "It is only very slowly and with very great reluctance that we have been forced to the conclusion that none of the schemes submitted to us would attain the objects which the Government had in view, and that we ourselves are unable, after repeated attempts, to devise any proposals free from grave inherent disadvantages." Ch. vi. deals with the various schemes for limiting pensions to members of Friendly Societies—schemes which at one time found favour in the speeches of Mr. Chamberlain. But the author of this paper has no difficulty in demonstrating that the members of Friendly Societies are precisely those members of the working classes who need the aid of pensions least, and that any endowment of Friendly Societies would exclude practically the whole of the weaker sex, and the very poor, and would necessitate the taking over by the Government the whole system of Friendly Society finance.

Several papers are devoted to an examination of the Report of Mr. Chaplin's Committee, which in 1899 reported in favour of giving boards of guardians power to grant pensions of from 5*s.* to 7*s.* to deserving poor in receipt of less than 10*s.* a week, and who have exercised "reasonable providence." The follies of this vague proposal are thoroughly exposed in chs. viii.-xi.—such as the impossibility of enforcing the test of reasonable providence in practical administration, and the fact that the pension would be out-relief in a new and extended form, and be far more likely to discourage than to promote thrift. Indeed of this, the only proposal which has received the support of a parliamentary committee, it may be truly said, "not a voice has been heard in its support; it has pleased nobody," and yet to carry out this scheme which no one approves would involve an expenditure of from £10,000,000 to £15,000,000 per annum.

The writers of these papers have made good their case against all the proposals which have been made in this country for pensions of a partial and limited character. But it may be said that these are merely theoretical objections to theoretical proposals, and that other communities have satisfactorily solved the difficulties. To meet this objection the authors devote the latter portion of the book to a criticism of the results of experiments which are actually in operation, and this is not the least valuable part of the book before us. First in importance is an examination of the insurance system of Germany, the aim of which is to secure by contributions levied from employers and workmen, supplemented by a grant from the State, provision for all incapacitated by sickness, infirmity, or old age, from earning a living. Mr. Loch deals with the question as to whether this elaborate system of insurance, which is enforced with all the thoroughness of a highly organized Government bureaucracy, has had the effect of reducing pauperism and diminishing the number dependent on agencies for the relief of those absolutely destitute. Though no figures are available for Germany as a whole, he quotes some very striking figures concerning Berlin and other large cities which tend to show that, since the introduction of compulsory insurance, pauperism has increased more rapidly than population; and he draws the inference that old age pensions, even when coupled with the insurance against infirmity and sickness, are no safeguard against pauperism, and do not reduce it. Mr. H. H. Wolf, who deals with the broader aspects of the question, points out how the German contributory system involves the maintenance of an enormous and costly machinery, and locks up a vast mass of capital "because the Insurance Department, being bound to make sure of sufficient funds to meet all liabilities, levies large sums in the

productive market, to lay them up, like the pound in the napkin, where they must be useless, and, indeed, become a source of serious embarrassment to their custodians. There is already £37,344,000 laid up in this fashion, and before long the figure will have grown to £50,000,000. All this is withdrawn from the productive sphere of economic national life, and invested only in the safest of safe securities. This is felt as a serious loss to business enterprise." He further states that "since limited application and a discriminating character are asserted to necessitate machinery so hopelessly cumbrous and artificial, and give rise to so many hitches and irregularities so to make it in the long run scarcely defensible, people have been led to believe that the only change promising real improvement must be that of replacing limited by unlimited, discriminate by indiscriminate old age relief, carried out at the cost of the State, or else the State and the employers to the exclusion of the workmen. That, at any rate, would introduce greater simplicity." In other words, the experience of the difficulties of working a contributory system is proving that Mr. Booth is right in contending that the only workable and logical solution of the pension system is universal pensions paid out of taxation. This is what the German workmen are looking forward to, and this, in spite of the objections of the Government to undertake such a burden, must some time be the result.

There are interesting chapters on the experiments now being made in our colonies, in Australia and new Zealand, but the system of pensions has been too recently introduced to enable us to gather trustworthy data. It is already manifest, however, that the cost will be far in excess of the original estimates, that the limitations of income required to qualify for a pension are increasingly difficult to enforce, and that the desire to qualify for a pension opens the door to much fraud.

Taken altogether, the destructive criticism of theoretical and practical schemes for contributory or partial pensions which is contained in these papers deserves most serious and careful study; and unless it can be overthrown, which I do not believe, it may be regarded as decisive against the introduction into this country of any system of pensions limited to incomes below a certain amount, or which shall require compulsory contributions enforced by the State.

Are we therefore to conclude that there is no need for the introduction of any system of pensions into this country, and that the nation will be better without any such provision? That is evidently the opinion of the authors. They are strong advocates of the principle of *Laissez faire*, and evidently believe that if only things are left

alone the people will in time work out their own salvation. In support of that view they reprint a paper on the "Progress of the Working Classes," read by Sir R. Giffen at the Royal Statistical Society, and also two papers by Mr. John Martineau on the "Poor Law in the Reign of Queen Victoria" and on the "Work of Friendly Societies" in providing pensions for their members. Sir R. Giffen's contention that the condition of the working classes has improved during the last fifteen years is undoubtedly true, and it is satisfactory to know that the conditions of life and labour are better than they were, but still this does not prove that all is as it should be, or that letting things alone will result in further improvement. Even if Sir R. Giffen's statements be accepted without dispute, we must not forget that a very different picture may be drawn, and that Mr. C. Booth, in his careful exhaustive examination of the condition of the people of London, has shown that 30·7 per cent. of the population are in a condition of poverty, *i.e.* their earnings so small, or so irregular, as to be insufficient to secure them the essentials of healthy life; and that Mr. Rowntree, in his analysis of the conditions of life in York, has shown that even in that provincial town one-third of the population, though they exercise the strictest economy, are unable to provide the minimum of food and clothing requisite for the maintenance of mere physical efficiency. In other words, nearly one-third of the people are living in partial starvation, and utterly unable to provide for their old age. It is when we bear in mind facts like these that we realize that the arguments put forward in favour of leaving the people to work out their own salvation, and to devise means of making provision for old age, are futile. The Friendly Societies have accomplished much, and will in time provide pensions for their members. Trade unions already in great measure provide superannuation allowances, and so does the Miners' Permanent Relief Fund, which, by the way, Mr. Martineau never mentions, though it is one of the largest pension agencies in the kingdom. But all these agencies leave practically untouched the great mass of the unskilled and irregularly employed.

The writers of these papers exalt the wisdom of our present poor-law regulations, and regard all pension proposals as an unjust tax imposed on the thrifty for the benefit of the unthrifty. But the objection to the present treatment of the aged by the poor law is that, by making destitution the condition of assistance, it excludes all but the unthrifty from receiving any benefit whatever. Moreover, the conditions under which one-third of our population live are such that it is practically impossible for them, by the most rigid economy, to make adequate provision for old age, and therefore the refusal of any help whatever

to those who have made partial provision must act as the most direct discouragement of thrift that human ingenuity can devise.

Mr. Booth's proposals for universal pensions given to all who attain a certain age irrespective of income or other test does avoid the injustice of our present poor-law provision, and would place all in a position in which any thrift they might exercise would be sure to bring its own reward of increased comfort. The chief objection to Mr. Booth's proposals is the cost, which for England and Wales alone would amount to £17,000,000 at the outset, and in fifty years double that sum. Before entering on an experiment of such magnitude there are points which need most careful investigation. At present we have no exact information as to the actual numbers of paupers over sixty-five years of age. It is often stated that three out of every seven of the working population who reach sixty-five years of age become paupers, but this statement is based on a very doubtful return of the aged paupers for the year ending Lady Day, 1892, when probably many individuals were counted several times over. The writers of these papers contend that the number is less than one in five of the population over sixty-five. When such difference of opinion is possible it is evident more accurate information is needed. Then there is the very important question as to how many of those aged paupers now inmates of our workhouses would be unable, owing to moral and physical debility, to maintain themselves outside the workhouse if they possessed a pension. The present writer had for twenty years to administer a charity which granted pensions of 10s. a week to fifty aged men of good character, and on several occasions it was necessary to remove some of these pensioners to the workhouse because they were incapable of looking after themselves, and had no friends or relatives who could give them the care and nursing they required. If this happened with those who were specially selected for good character, it would happen more frequently with the drunken and dissolute. The writers of these papers illustrate this difficulty by the experience of Victoria, where numbers of the pensioners were found "unable to look after themselves," and it became necessary to amend the Act in order to give the magistrate "power to decide whether a claimant otherwise eligible for a pension was or was not fit to be entrusted with a pension; and, if he was not, to send him to a benevolent asylum," i.e. a workhouse called by a different name.

That the growing altruism of society will not long tolerate our present treatment of the aged is manifest from the many countries which have during the last twenty years introduced pension schemes of various kinds, and the steadily growing demands for pensions for aged

workers in our own country ; but before we embark on Mr. Booth's scheme of universal pensions, or any modification of it, and before the question of old age pensions finds a place in the programme of any political party or any statesman, we require much more light than we at present possess on the many and difficult questions involved. Mr. Booth's scheme would obviate the objections to which all the contributory schemes are open, and would free us from the injustice of the present system of poor relief. But is Mr. Booth's estimate of the cost accurate ? Has he under-estimated the number of the aged, and over-estimated the saving that would be effected in the poor-law expenditure by failing to allow for the number of aged who would, from moral or physical incapacity, still require to be maintained in public institutions as being incapable of living independent lives on the pension of 5*s.* a week which he proposes ?

W. MOORE EDE.

CARTELLS ET TRUSTS. Par ET. MARTIN SAINT-LÉON. [vii., 248 pp. Crown 8vo. 2 fr. Lecoffre. Paris, 1903.]

M. Saint-Léon is to be congratulated on his latest work. A French writer may usually be trusted to be clear ; and, when he is thorough as well, he is indeed hard to beat. Nothing could be more admirable than the way in which our author manages to envisage his subject as a determinate whole. Two parallel developments are extricated from the seeming flux of contemporary economic process, and their common tendency is exhibited side by side with their specific differences. Yet the definitory interest is not allowed to outbalance the inductive. Though M. Saint-Léon describes the wood as a wood, he does not fail to notice—nay, positively to enumerate—the trees. A more or less exhaustive account is given of the separate pools and trusts of Europe. Moreover, the not inconsiderable literature of the subject is treated with full respect. The writer is not librarian of the Musée Social for nothing.

The book begins with a few pages of historical introduction. These, perhaps, were hardly necessary. The analogies between the modern pool or trust and the organizations of the past designed to foster monopoly are not very close. By the way, why describe the Sicilian of Aristotle's *Politics* (i. 4) as the inventor of the "corner" instead of Thales (*ib.*)—not to mention Joseph ? The references to the mediæval corporations, however, are interesting, as coming from one who has made himself an authority on this topic.

We pass on to the study of "cartells" (kartelle, comptoirs, pools, syndicates, combines). This institution is as characteristically German

in its origin as the trust is American. It appears to have first taken shape at Dortmund in a succession of agreements amongst the coal-owners, the object of which was to limit production. At the start, it was found impossible in practice to prevent surreptitious extra-production. The difficulty was, however, at length met by the formation of a special syndicate, into the hands of which the owners of mines surrendered their entire trading rights. Dealing with outsiders rendered the offender liable to a heavy fine. The syndicate fixed the amount of the total annual output, and the share of work falling to each mine. In return, a minimum rate of remuneration was guaranteed to the coal-owners, together with half-profits on the sales, should these average more than a certain reasonable figure. On these or somewhat similar lines a vast number of "cartells" have in recent years been successfully organized in Germany, some three to four hundred of various kinds being at present in existence. The German legislature has hitherto refrained from interfering in any way with their action. In Austria, on the other hand, there is a movement in favour of their control by the State. M. Saint-Léon thinks that anything like stringent control would be highly inadvisable. Such a provision, for instance, as that all its statutes, stipulations, accounts, etc., must be submitted by each syndicate to the Minister of Finance, the latter having it in his power to prohibit anything he may consider detrimental to the interests of the consumer, would virtually kill the combines under the conditions of modern industry, which demand secrecy and despatch before all else. But nobody, opines our author, can seriously wish to kill or cripple the combines. Not merely do they effect certain economies by restricting competition—economies, however, of which their organizers reap the benefit in the first instance—but they regularize production, and, in consequence, prices, an advantage in which, not only the wage-earning class, but the general public participates. A minority of the German "cartells," however, he thinks, abuse their powers, exploiting the consumer by putting up prices unfairly. His suggestion is worth considering, that the best way of dealing with such offenders is, not to institute direct Government supervision in any form, but simply to manipulate the tariff so that the monopolists are brought to their senses by the fear of foreign competition.

Passing to the subject of the trust, M. Saint-Léon is at great pains to show how utterly it differs from the mere trade-combination that seeks to limit production or to fix a price. The very etymology of the term "trust" signifies that there are trustees to whom others—in the present case the associated companies—delegate their powers. As a matter of

fact, these powers are surrendered absolutely under the system that to-day prevails in America, namely that of the "holding trust," which buys up enough shares to secure a permanent majority of votes at general meetings. Thus, whereas the cartell is essentially federative, the trust is essentially unitary. It is not an agreement, but a fusion. Nothing shows this more clearly than the practice so often resorted to by the trust of "dismantling," that is, of doing away with some of its factories in order that the rest may work at full capacity,—as when the whisky trust closed sixty-eight distilleries out of eighty. In this way, competition is not merely restricted, but totally abolished. Under the "cartell" system, each separate enterprise continues under its own management, and may at any moment throw up the treaty and recover its independence. But the Transatlantic manager is a slave—chosen for his brains, no doubt, but unable to call his brains, nay, his very soul, his own. Some very interesting speculations on the probable effects of a trust *régime* on the American character are put forward by M. Saint-Léon. Meanwhile, the moral point of view is not allowed to prevail unduly over the economic. Our author most successfully initiates his readers into the mysteries of trust-promoting, and makes it clear what "watering" means for the unfortunate consumer. Not a little, too, is said about "anti-trust" legislation, actual and prospective, in the States. M. Saint-Léon himself would favour manipulation of the tariff to check the abuse of monopoly, and insistence on effective publicity in the case of the financial arrangements constitutive of the trust with the object of preventing watering.

In conclusion, a word may be said as regards the dependence of trusts and cartells on protection. M. Havemeyer's dictum is famous, to the effect that the mother of all the trusts is the customs-tariff. Likewise we find the German syndicates selling much more cheaply abroad than in the home market. It looks, then, as if protection and these instruments of monopoly went closely together, and it is significant that M. Saint-Léon knows of no better weapon wherewith to combat unfair prices than the lowering of the charges on foreign imports of the corresponding class. At the same time England, the classic home of free exchange, is not without its industrial fusions and combinations. It is hard to see, however, how these are likely to exploit the consumer to any considerable extent, unless they happen to exercise a more or less exclusive control over some material product, as is in a way the case with English coal, or else have temporarily attained to such superiority in the matter of machinery or technical skill as to be able to set the rest of the world at defiance. Those who just now are raising their voices in favour of so-called Fair Trade for this country

would do well to reflect, taking the present volume for their guide, on the gross unfairness, from the point of view of the general public, of much of the domestic trading of modern Germany and America.

R. R. MARETT.

DIE KARTELLFRAGE IN THEORIE UND PRAXIS. Von F. VON ROTTENBURG, Doctor der Rechte und Ehrendoctor der Universität Yale. [x., 89 pp. 8vo. Duncker & Humblot. Leipzig, 1903.]

Thanks to the "fiscal proposals" and frequent references to German unfriendliness, the word "cartel" is on almost every one's lips. "Cartels" are, as Dr. von Rottenburg explains, unfinished or undeveloped "trusts," "trusts in the making." But, whether it be that the finished article brings to light virtues which the unfinished article does not possess, or whether in German hands a repressive weapon tending to the creation of a monopoly acquires a more ruthless edge than in American (though to many it still appears a moot point if American "trusts" are not sometimes, on the one hand, as useful as unquestionably they are injurious on the other), there is no one but the *domestici testes*, directly benefiting thereby, who has a good word to say for German "cartels." Such "cartels"—which, as Dr. von Rottenburg shows, have it directly for their object either to restrict production, or to suppress its cost (including wages), or else to force up the price of goods—are known to be the direct outcome of the protectionism which Prince Bismarck introduced in 1879. That protection set up a ring-fence all round Germany, within which producers—that is, producing employers—have it in their power to exploit demand at their own sweet will. To benefit the more by the admirable opportunity, capital has coalesced freely, and "organized" itself, until now at many points it rules supreme.

There are some very telling indictments against bodies of this sort contained in Dr. von Rottenburg's admirably written book, recording instances of most unscrupulously selfish exploitation of opportunities, which those among us who have a hankering for protection, regardless of the evils which it may be shown to carry with it, may do well to take note of. Also Dr. von Rottenburg opportunely points out—being, probably, the first to do so—in what degree, under the influence of "cartellism," the tone of economic controversy has changed, and become lowered and brutalized. The syndicated employers appear to have thrown off all restraint, all regard for the ordinary decencies of controversy. They answer with mere "abuse," just like the "agrarians" from the Russian frontier.

Having been for something like ten years Prince Bismarck's very "right hand," the head of his "chancery" and his particular confidant, Dr. von Rottenburg, who is now "curator"—that is, the Government-appointed supreme chief—of Bonn University, cannot, it may be, bring himself altogether to condemn the protectionist policy of his chief, though it has in fact produced "cartels." But having seen that policy at work, he stands up manfully for some supplementary measures which would, at any rate, restore the balance between employers and employed. Under protection and "cartels" employers have it all their own way. And some "cartels," as the author distinctly shows, make it their direct object to cut down wages, to maintain long hours, to fight working men's organizations, to supply one another with hands in the event of strikes, to "keep out agitators" by concerted action, to refuse employment to men coming from other works without the employers' approval, to exchange confidential communications relative to their employees' character and conduct—in a word, openly and relentlessly to defy, by all means within their power, accepted twentieth-century principles of equality and free labour contract. The employers, so our author contends, ought not to possess such excessive power. Since they do possess it, at any rate the workmen ought to be allowed to meet it by similar combination, and to be conceded that right of free combination which now, as amongst societies, they wholly lack in Germany.

There is much in this book which is purely personal, being addressed to the author's assailants in a controversy which appears to have become highly heated. But the rest, which is closely reasoned, forcibly written, and full of information tellingly marshalled, will well bear such ballast.

HENRY W. WOLFF.

**DAS PRODUZENTENINTERESSE DER ARBEITER UND DIE HANDELSFREIHEIT.** Von HEINRICH DIETZEL, Professor an der Universität Bonn. [118 pp. 8vo. Fischer. Jena, 1903.]

**KORNZOLL UND SOCIALREFORM.** Von HEINRICH DIETZEL, Professor an der Universität Bonn. [56 pp. 8vo. 1 mark. Simion. Berlin, 1901.]

At no time has the example of Germany possessed a greater interest for ourselves than at the present moment. Germany has long since taken the decisive plunge into protectionism, on the brink of which we seem now to stand. It is proposed as a means of stimulating "national," i.e. according to our present phraseology, "imperialist,"

cohesion ; of promoting national welfare by-steadying trade, making employment continuous, and raising wages ; and of "retaliating" upon neighbours who had begun the fight with hostile tariffs. More than once has Germany, meeting with unlooked-for hindrances, had more or less to reshape her course. But, at any rate, she has experience to look back upon where we can only speculate as to probable results. To prejudiced eyes the lesson taught by German dabbling in patriotic protectionism appears not altogether a clear one. Many other influences besides a duty varying between about 2s. 3d. and 11s. per quarter on wheat have been at work, alternately stimulating or else checking trade, raising or else lowering prices, in unforeseen ways. Hence it is that Germany has had once more the question, not indeed of free trade, but of moderate or else stringent protection placed before it, and that for some time champions on either side have been leading vigorous charges against one another, of which, unfortunately, far too little notice has been taken in our very much interested country.

Professor Dietzel wields his pen as one of the foremost fighters on the free-trade side. He is a free-trader of the purest water, in whom Cobden himself would have rejoiced, and exhibits in the contest qualities which we are not in the habit of looking for among his countrymen, more particularly of professorial rank—that is, a pithy telling style, and remarkably lucid exposition, such as necessarily suggests clearness of thought, and accordingly carries conviction with it. Both his pamphlets, or booklets, here referred to deserve attentive reading.

In *Kornzoll und Socialreform* the author shows very plainly to what extent a duty upon corn has proved antagonistic to those laudable objects of "social reform" which German statesmen, no doubt honestly, profess to have so much at heart, but which, in their ignorance about the inevitable effects of a tax upon foodstuffs, they seriously jeopardize while ostensibly attempting to further them. Like a second Penelope, they undo at night what they have laboriously wrought at day. Unable, apparently, to trace the true relation between cause and effect, German protectionists—at the present time the ruling party—have very ignorantly attributed to the one circumstance which has tended to steady their market, that is, the broadened basis of a "world trade," the mischief of disturbing and unsettling it ; and they, accordingly, labour to separate their country once more from the rest of the world by a "Chinese wall." They indeed perceive that emergencies may arise in which it will be necessary, for self-preservation, to break through this solid bulwark. But they are confiding enough to argue that on such occasions this will be easily possible, for neighbours now

deliberately rebuffed will be willing then to come to Germany's rescue without claiming any return service. Professor Dietzel shows very conclusively what a mistaken course this needs must prove—nay, indeed, has already proved—in the result. It is German industries which have suffered by such a selfishly shortsighted policy. He might have added that even the most “favourable” commercial treaties concluded, on which Germany has so much prided herself, can prove no bar to this. Prince Bismarck was a great adept at concluding “favourable”—i.e. one-sided—commercial treaties, while his crushing tariff of 1879 was in force, and he knew how to obtain from neighbours temporarily embarrassed exceptional terms. His treaties were, in fact, preposterously “favourable,” but for that very reason they did not last.

One other, most important, point which Professor Dietzel rightly brings into relief, first in *Kornzoll und Socialreform*, and next, in rejoinder to protectionist replies, in *Das Produzenteninteresse der Arbeiter*, is this—that it is absolute nonsense to affirm that protection has in Germany tended to steady employment and to raise wages. As regards the mere facts, he quotes Dr. Eugen Richter as publicly demonstrating that neither in 1880, when the first duty on corn was imposed, nor in 1885, nor again in 1887, when it was twice consecutively raised, has a rise in workmen's wages followed. But he goes on to prove that such rise *could not* have followed, that it was nonsense to expect it, that, in truth, the price of food and labourers' wages move in opposite directions. He furthermore observes that not even the most thorough-going protectionist in Germany has ever affirmed, prophetically or retrospectively, as our protectionists do, that the rise in wages expected to result from protection could do more than make up, *in part* only, for the addition made to the price of food.

Both books ought to be read. They are as full of solid argument as, in Sterne's words, “an egg is of meat;” and it is all argument directly bearing upon our great controversy of the hour.

HENRY W. WOLFF.

#### THE FINANCIAL HISTORY OF THE UNITED STATES.

By D. R. DEWEY, Ph.D., Professor of Economics and Statistics in the Massachusetts Institute of Technology. [xxxv., 530 pp. Crown 8vo. 7s. 6d. net. Longmans. New York, 1903.]

The chief interest of Professor Dewey's treatise for Englishmen at this moment centres in his observations and figures regarding the instability of American import duties. When the conclusion of the Napoleonic wars, in 1815, permitted the nations of Christendom at last to turn their attention to trade and the development of their resources,

it found the states of the Union at strife among themselves on questions of commercial policy, which have generally exercised a predominating—what a German would call a *massgebende*—influence in the history of that country. In 1816 President Madison expressly recommended Congress to foster native manufactures, and in that year a tariff was adopted which, though not quite so high as that in force during the war of 1812, was avowedly devised in the interests of industry instead of revenue. But, while protection conciliated the iron trade of Pennsylvania, it alienated the shipping interest in the New England ports, and the cotton and tobacco planters of the south, who were paid for their exported produce in articles of British manufacture. But as industries grew, and the manufacturing interests acquired greater influence with Congress, opposing aims sprang up among them, and as one or other section had to be conciliated by politicians, so the tariff year by year underwent the most extraordinary oscillations. This fact is brought out in the tables in which the author presents us with the annual “average rates of duty on dutiable imports” from 1821 to 1861 inclusive. During the first half of this period the average is never two years the same. In 1822 it is 31·7 per cent. ; in 1828, after a kind of switchback course during the intervening years, it is 39·3. In this year a new tariff law was passed which represented, says Professor Dewey, “the high-water mark of protective legislation before the Civil War,” and, it may be added, for many years after the Civil War, with its exceptional demands, was over. In 1830, when this law had had time to come fully into operation, the average rate stood at 48·8 per cent. It would probably never have been passed had not New England, under the stimulus of the previous protective tariff, added manufactures to its fishing and shipping trade. It was so unpopular that it was not only known as the “Black Tariff,” but South Carolina went so far as to pass an ordinance declaring that the tariff law of 1828 was “null and void and no law, nor binding on this State, its officers and citizens.” President Jackson replied by sending a naval force under Farragut into Charlestown harbour. With this threat, combined with a new and lower tariff, an actual conflict was avoided. The average rate sank to 31·9 per cent. in 1833 and to 25·3 in 1837, only *pour mieux sauter* the next year to 37·8. Down in 1842 at 23·1, it bounded up the following year to 35·7.

Then followed a period of moderate and stable protective tariffs, lasting from 1846 to 1856. The country was prosperous, but in 1857 there occurred a widespread commercial panic, which the protectionists attributed to too liberal a scale of duties. “They maintain,” wrote Mr. Blaine, “that from 1846 to 1857 the United States would have

enjoyed prosperity under any form of tariff, but that the moment the exceptional conditions in Europe and in America came to an end the country was plunged headlong into a disaster from which the conservative force of a protective tariff would in large part have saved it." Yet even under that *régime* of comparative free trade the import duty on the great bulk of commercial products was between 20 and 30 per cent. At all events it is to be noted that it was under a consistent and uniform tariff policy that the United States enjoyed perhaps its longest spell of uninterrupted commercial prosperity.

During the Civil War, the tariff, like other forms of taxation, stood at an abnormal height to meet the abnormal military expenditure. During several years following the conclusion of peace in 1865, import duties were gradually reduced until 1875, when a 10 per cent. "horizontal" reduction effected in 1872 was repealed. No further serious alterations were made till the tariff of 1883, which was on the whole protectionist in tone, notwithstanding the haphazard manner in which its details were finally settled. Then followed a campaign on the question between import duties for revenue purposes, as favoured by the Democrats, and a protective tariff advocated by the Republicans. The Republican victory resulted in the McKinley Tariff of 1890. Although the subsequent rise of prices stirred up popular opposition to it, the protection policy has since more than held its own, the attempts made in Congress to mitigate it only occasioning uncertainty in the commercial world, with which, be it observed, synchronized the period of great industrial depression between the conclusion of the Chicago Exhibition, in 1893, and the revival of trade following the termination of the war with Spain. Of the productivity of these tariffs and the Dingley Tariff of 1897 in regard to revenue—three tariffs within seven years—Professor Dewey observes that industry cannot accommodate itself at a moment's notice to changes in the schedules, so that in each case the time has been too brief to allow of a safe generalization on their respective merits. The cost of collection he puts at 4 per cent. of the receipts. He does not attempt to estimate the influence of these fluctuating imposts upon the commerce or general prosperity of the country. The tables of average annual rates of import duties are discontinued for the years subsequent to the outbreak of the Civil War. Thus the reader is deprived of one means of comparison between successive tariffs. Indeed, this branch of his subject is much more adequately handled as to the earlier than as to the later period treated of by the author.

C. H. D'E. LEPPINGTON.

**THE BANK RATE AND THE MONEY MARKET IN ENGLAND, FRANCE, GERMANY, HOLLAND, AND BELGIUM, 1844-1900.** By R. INGLIS PALGRAVE, F.R.S. [xxiii., 237 pp. 8vo. 10s. 6d. net. Murray. London, 1903.]

Mr. Palgrave here enters into a somewhat technical comparison of the policy pursued by the national banks of Continental countries with that of the Bank of England, with reference, first, to the amount of specie normally held in reserve; and, secondly, to the rate of discount. He addresses himself primarily, no doubt, to economists and financiers, but in the former branch of his subject, at any rate, the section of the public endowed with banking accounts has a very real interest, whether it is aware of the fact or not.

Mr. Palgrave is careful to say at the outset that he is not making a critical inquiry into the conduct of the Bank of England. He tabulates the annual averages of the transactions of both the issue and the banking departments of the Bank from 1844 to 1900 in forty-six columns, and takes the opportunity to point out that the returns of its transactions supplied by the Bank have been less complete since 1875 than they had been during the previous thirty years. The amounts of "bills discounted" and of "temporary advances" have ceased to be given since 1876, and so has the total amount of the balances maintained by London bankers in the Bank of England. As to the latter, he points out that, though the banking reserve of the Bank has risen from £8,500,000 in 1844 to £21,455,000—that is, more than 150 per cent.,—at the former date the London bankers' balances constituted only 11 per cent. of the reserve, whereas they formed more than three-quarters of it in 1877, the latest year for which the amount has been disclosed. He goes on to show that it has been just at periods of financial pressure or crisis that the London bankers have piled up their balances with the Bank, in order to be forearmed against any exceptional call upon their resources. Consequently it is just at such anxious moments that the Bank's reserve is most largely composed of notes and specie which may at any time be withdrawn, and which are especially likely to be withdrawn when the Bank itself is most liable to need them. The same fund, he points out, cannot justly be reckoned as the Bank's own reserve, and also the reserve of the banks whose banker it is. "There is no other country in the world," says Mr. Palgrave, "of which the banking system is known, in which the reserves of the banks are loaned out in the manner in which they are in this country." In the crisis of 1857 the real reserve, that is the reserve omitting the bankers' balances, fell to £1,462,000, and in 1865 to £1,203,000. Now that the Bank no longer distinguishes the sum

entrusted to its custody by the other banks in its returns, it is impossible to say what its real reserve at the present time is.

Mr. Palgrave's tone is studiously moderate throughout, but his treatise is a weighty protest against the present policy of the Bank in trading upon so small a (real) reserve, and in withholding, of late years, information as to its transactions and position which was formerly made public as a matter of course. The Bank's reticence as to the portion of its (apparent) reserve consisting of balances belonging to other banks might, he points out, be discounted if, to quote his own words, "the committee of the clearing-house were to publish the collective amounts of the bankers' balances with the Bank weekly, together with the statement of the clearing-house returns." He thinks there could be no objection to this provided the balances were summarized in one total. "There is a great danger at such times (*i.e.* times of pressure) to our highly complicated banking system from alarm among the ill-informed and ignorant. Their anxiety would be soothed by a knowledge of the large resources held by the banks." It is to be hoped that the suggestion may bear fruit.

C. H. D'E. LEPPINGTON.

**HEREDITY AND SOCIAL PROGRESS.** By SIMON N. PATTEN.  
[214 pp. Crown 8vo, 5s. net. Macmillan. New York, 1903.]

This book is written by an economist, but not for economists—not for such economists, at any rate, as are minded simply to "cultivate their garden." It is what might be termed, according to the latest fashion in philosophical slang, "*meteonomical*" in its scope, seeking to invest an assumed law of social progress with the widest significance of which it is biologically and psychologically capable.

First, then, for this law in its merely economic, or, let us say, sociological, aspect. Social progress, it is laid down at the outset, is essentially the outcome of a "social surplus." By this is meant a balance or net increase in the means of subsistence. Such an increase in wealth, it is maintained, as such causes an increase in energy; which energy in its turn, by opening up new environments, and therewith calling into existence fresh forms of psychical response, is the source of all that we call progress. If we ask for empirical confirmation of this theory of social advance, we are referred to the facts that plentiful food produces energy, and that prolonged childhood—another consequence of easy circumstances—gives the natural qualities more time in which to develop. If it be objected at this point that, whilst in some cases "the luxuries of one generation become the necessities of the next," this is by no means always so, luxury being in other cases as

regards both individuals and communities destructive of energy rather than creative, no reply is forthcoming; no attempt is made to disentangle the law that prosperity is the unique source of energy from the irrelevant conditions that mask its action in the concrete. A law may be doubtful in its own particular sphere. Correlate it, however, with other laws, no less doubtful in their own particular spheres, and with "deduction"—something more, by the way, than mere colligation—comes verification. Such is the method frankly stated and pursued.

So we are spirited into an entirely different region of ideas, and are introduced to the doctrine, proclaimed by Geddes and Thompson in their *Evolution of Sex*, of the katabolic or energy-dissipating male and the anabolic or energy-storing female. Secondary or sexual characters, it is there suggested, are the expression of the superabundant energy possessed by the male. Put this law together with the economic law formulated above, and we get a law of wider sweep to this effect—that organic acquisitions of whatever kind are the outcome of an all-round katabolism.

But what about heredity? Organic acquisitions are not necessarily inheritable. And Dr. Patten is no Lamarckian. On the contrary, he "weismannises" thus, "Every stable race is careful to impress on the young its habits, standards, and moral code. Surely this would not be necessary if every modification in the parent were directly inherited by the child." Meanwhile, he believes that the acquired forms of psychical response to the new environments opened up by a wealth-born energy are in the case of man somehow "transformed into permanent mental traits." But how precisely? Back we go from sociology to the anabolic female of biology. She, it appears, does as a matter of empirical fact inherit whatever products of male katabolism "prove useful not merely in contest but also in the acquisition of nutriment." But the mere "that" is not explicitly given any "why" to rest on.

If, however, the mystic word "germinal selection" is never breathed, plenty of weismannite theorizing concerning the cryptic modes of germinal development is adduced with more or less relevancy to the main theme. The psycho-physics of the cell is a highly fashionable topic with American writers, but herein Dr. Patten surely "goes one better" on the most "synthetic" of his brethren. The egg before fertilization is observed to throw off certain bodies—what and why being matters of much uncertainty. Presumably, however, this process of "reduction" clears the way for intersexual reproduction. Dr. Patten proceeds to generalize this fact, supposing that wherever growth by what may be called self-reproduction is checked in an environment that puts too great demands on the organic energy available, similar

reduction takes place so as to clear the way for regeneration on more hopeful lines. Hereupon we leap off to psychology. Emotion, according to Professor James, has "no special brain centres." Why, then, conjectures Dr. Patten, may not emotion be simply the psychical correlate of reduction, the accompaniment of that disintegrating return of energy upon itself which leaves the organism shorn of the experimental characters that have proved unsuccessful, yet ready to have another try with new and, if possible, better ones? Another jump, this time into sociology, and what do we find? "The hard-pressed races are emotional. They believe in chance and luck, and their acts are detrimental to their adjustment." And the moral, which both knits these analogies together and brings them into connexion with the central argument, is that energy is the affirmative factor, the luxuriance of foliage, and struggle the critical factor, the pruning-knife.

It is impossible here to follow out Dr. Patten's speculations into their ultimate details. Suffice it to say that, in terms of katabolism and emotional devolution or throw-back, all manner of psychological and sociological principles are described as never before. What has chief bearing on the theory of social progress from which the book starts is the view that the energy which finds an outlet in fresh environments and newly acquired characters is always the result of a previous throw-back. Hence, "progress is not the making of the strong, but that protection of the weak in men by which differentiation becomes possible." In other words, the use of a "social surplus" is to give dwarfed and thwarted characters another chance. The natural characters that are going strong need no fostering. Dr. Patten takes us far afield, for the most part weaving his argument round the notion of a cell with tough integument wherefrom endless throw-backs to the central store of potentialities direct the surplus energy to what is weak and undifferentiated. But all the while behind the psychophysicist one seems to discern an older and more familiar friend, the economic protectionist. He talks of the cell but he means the state—nay, rather the States; and his prescription is—lots of go and hustle, and good thick integument in the shape of a customs-tariff.

A final word—offered with a full sense of the difficulty of framing off-hand a just estimate of so complicated a piece of thinking—as to the scientific value of this book. On the one hand, it is, despite its complexity, most remarkably lucid. Dr. Patten has spared no pains to formulate his views in crisp and clear-cut phrases. His only fault, as regards the presentation of his ideas, is, perhaps, a certain curtness. His hypotheses are almost as numerous as his sentences. Still, taken as a whole, the book has the scientific merit of straightforwardness

and precision of statement. Its author has evidently taken to heart the motto he prefixes to his work, that truth comes out of error more rapidly than out of confusion. On the other hand, the man of science may well ask, Are these skyscraping analogies science at all? Is the logical canon which forbids a *μετάβασις εἰς ἄλλο γένος*—much more half a dozen such—played out, or may we still say that this cannot be science, though it may be philosophy of a kind? The working biologist will not get from this book the sort of theory of heredity he wants. The working economist cannot expect to bolster up a theory of protection with hypotheses to the effect that “the brain is an enclosed ovary,” or what not. Meanwhile, all such synthesis of syntheses is pure joy to two prevalent types of pseudo-scientific jerry-builder, the merely literary cell-psychologist and the merely literary sociologist. Dr. Patten himself is a serious thinker, and, indeed, there is a touch of genius about whatever he writes. Other serious thinkers, then, may well look to this book of his, if not for instruction, at least for inspiration. But the crowd of the half-educated that measures the worth of a “law” by its size—what if it swallow these meteconomiological apriorities whole? And yet we are told by Dr. Patten that “real education is the bringing of the weak in one set of individuals up to the level of the strong in others.” Surely the weakness of the rank and file amongst the scientific writers of the day is just this—premature generalization.

R. R. MARETT.

**WOMEN UNDER THE FACTORY ACT.** By NORA VYNNE and HELEN BLACKBURN. [206 pp. Crown 8vo. 1s. Williams & Norgate. London, 1903.]

The idea of setting forth the provisions of the Factory Act, so far as they affect women, in simple language and in a cheap and convenient form, is excellent. Unfortunately, in the present case, that plan has been carried out in a manner which is open to serious objections. The authors have interspersed their version of the law's demands with a sort of running commentary, conveying approval or the reverse; and, without previous knowledge, it is difficult to distinguish which portion of the text is sanctioned by King and Parliament, which by Miss Blackburn and Miss Vynne.

This, however, is a detail. It is a more serious matter that the provisions of the Act are not always faithfully rendered. For instance, it is said that “no overtime may be worked in non-textile factories and workshops where children and young persons are employed” (p. 146), but no such provision occurs in the Act. We

are also told that "the provisions of the Act do not apply to the women engaged in the fish-curing trade, nor the jam-making trade, from 1st June to 31st (*sic*) Sept." (p. 142). But sect. 41 of the Act says only, "The provisions of this Act *as to period of employment, times for meals and holidays*, shall not apply," etc.; and it is one of the best features of the consolidating Act of 1901 that it placed these two trades—so difficult to control, and yet so greatly needing wise regulation—under the sanitary provisions of the law from which they had previously been exempted. Again, it is stated that "it is illegal to begin at the half-hour" (p. 124). But the Act only limits the period of employment—viz. between 6 a.m. and 6 p.m. (or between 7 a.m. and 7 p.m.),—and does not prevent work beginning at 6.30 a.m., or any other time up to 5.59 p.m.

It is only fair to say that the authors, while objecting to what they consider "restrictions" on women's work, show an evidently genuine desire to be impartial. But they are insufficiently equipped for their task, and continually beg the question as to the effect of legal regulations on wages. It was once common to argue that factory children "must starve" if they worked only ten hours a day instead of twelve; and some people are still inclined to assume that a working woman will probably starve unless allowed to work overtime. The few pence earned in over-hours represent a concrete fact, while the lowering of rates that ensues from excessive hours is not so easily recognized; but a very moderate study of the subject ought to prove that wages do not vary in proportion to the number of hours worked.

Statistics are quoted from Miss Boucherett's tract, *The Fall in Women's Wages*, to show that women lose employment through Factory Act regulations. In the bleaching and dyeing trade, in 1890, 49,453 males and 19,207 females were employed; in 1895, the numbers were 57,473 males and 18,554 females. Miss Boucherett therefore concludes that "if no artificial interference had taken place, the probability is that the numbers of both sexes would have increased in equal proportion" (p. 130). But an industry in which the numbers of men and women increased in this symmetrical proportion would be extremely singular. The conditions of a trade are ever changing; in one industry machines may be introduced for which women's labour is suitable, while in another the machines may require the attention of skilled mechanics or engineers. Moreover, if we take bleaching in connexion with the three other branches of industry with which it is classed, we get the following results as to the total numbers of those employed: <sup>1</sup>—

<sup>1</sup> *Report of Chief Inspector of Factories for 1896*, p. 320.

	1890.		1895.	
	Males.	Females.	Males.	Females.
Calico Printing .. ..	20,964	5,131	18,480	2,924
Other Print Works .. ..	3,112	823	1,786	292
Bleaching and Dyeing .. ..	49,453	19,207	57,473	18,554
Calendering and Finishing and Lace Warehouses .. ..}	19,757	9,498	26,223	13,237
	93,286	34,659	103,962	35,007

In other words, taking a wider view of the industry, the alleged decrease of women turns out to be an increase of 1 per cent., while the proportion of females in the whole number employed only decreased about 2 per cent. It appears further that in bleaching and dyeing, while half-timers of both sexes decreased, and male young persons under eighteen increased only from 6802 to 7346, male workers over eighteen increased from 41,852 to 49,512. Now, can any one seriously suppose that this increased employment of male adults can be due solely to the prohibition of women's work at night? It is but seldom that women's work can be continued after hours by men, and the small inconvenience caused by restriction of overtime could not possibly account for the taking on of so large a proportion of men. What the figures do seem to show is that the industry, not predominantly a woman's trade even at the earlier date, is expanding in the direction of employing a larger percentage of mature skilled workers, probably mechanics. There has been no diminution of numbers, except happily in the case of children; but while women and male young persons have merely held their ground, adult men have made a large advance. In other words, the better-paid class of workers is increasing faster than the worse paid, the average wage must inevitably have risen, and probably fewer married women than before have to seek work to supplement the family earnings. Is all this a gain for men only? On the other hand, there are plenty of industries in which the employment statistics discover a change in the opposite direction, a large increase of women, and a stationary or decreasing proportion of men. These may comfort Miss Bousherett and Miss Vynne, and the contrast may serve to show the uselessness of drawing conclusions as to the position of women from the figures of any one industry alone.

It is, perhaps, needless to reply to the sarcastic remarks which are levelled at the general principle of labour legislation. Few people now believe that premature decay will overtake working women

because the law limits their hours of work, and imposes a minimum of sanitary conditions. The best employers recognize that long hours are not really economical, and even venture to advance beyond the standard regulations prescribed by law.

It is matter for regret that the party represented by Miss Vynne and the late Miss Blackburn in this evidently well-intentioned book have not presented a more adequate summary of the case against the Factory Acts. There is a good deal of controversy on the subject, but most of the literature hitherto published has been on the side of the defence. A clear statement of the doubts and objections which are still felt in certain quarters would be welcome to students, but it cannot be said that this little book carries us very far.

B. L. HUTCHINS.

### CONSTRUCTIVE AND PREVENTIVE PHILANTHROPY.

By JOSEPH LEE, with an Introduction by JACOB A. RIIS.  
[242 pp. Crown 8vo. 4s. 6d. net. Macmillan. New York, 1902.]

This is a spirited and suggestive little book, with an Introduction by Mr. Riis, who speaks in high terms of the author, and especially of his zeal for healthy boyhood. Mr. Lee begins by explaining the limitations of his subject; his treatise does not entrench upon biological problems, nor does it include those social institutions founded by trade enterprise rather than by conscious philanthropy. Those social activities, also, which have already become part of our corporate life, are omitted; and examples are chosen over a limited area. As a result of these limitations, some arbitrary, some essential, the book resolves itself into an account of the various philanthropic schemes carried on lately in New York, and elsewhere in the United States—saved from being entirely socialistic by what the author calls the ideal “philanthropy,” viz. that which leads to activities “carried on by citizens for the sake of citizens, not by the rich for the sake of the poor.”

These activities include libraries, savings banks, model dwellings, vacation schools, play-grounds, baths, gymnasiums, as well as many more. The author takes a hopeful view of all these developments, describing how each begins with charitable intent, until taken up and carried on by the people's own will. Thus, savings banks were first made as obvious and attractive as possible, until by degrees the lesson which they conveyed was learnt. In this way, each reform, though first started by philanthropy, is to become automatic, until these social benefits become part of our social life. The theory is a good one, recognizing as it does the need of co-operation and consent; it may seem to

ignore the idle and vicious tendencies of man, but this does not obviate its usefulness as a guide to practical reform.

The most pressing of all the questions touched upon is that of the housing of the poor ; and the greatest space is devoted to it. In New York there is a record of the fight between poor immigrants and corrupt politicians on the one hand, and philanthropists on the other. It is difficult to ascertain exactly how much has been achieved, but the need for health, air, and space in town dwellings is one which, unlike some of the questions raised in this book, admits of no doubt. The home is the basis of wholesome social life, therefore to make a real home possible must be the first work of reformers. How far philanthropic efforts have as yet been successful may not be apparent, but at any rate, as the author points out, these efforts have shown that the provision of good tenement houses may prove a profitable investment, and thus charity has at least shown the way to better things.

A less familiar subject is that of vacation schools, in which children can be instructed in those branches of handiwork and experimental science which do not enter into the term's lessons. Here Mr. Lee omits to touch upon the practical dangers and difficulties of the scheme. One of these would be the overworking of teachers, who ought to be having a complete change of mental position ; another is the removal of parental responsibility, and the breaking-up of home amusements. Doubtless, however, vacation schools are a boon to many children, and it is for each community to judge of its own need in this respect.

Children's play-grounds will appeal to all. They are especially needed in towns, but Mr. Lee pleads for them in country districts also, because of the good moral effects of organized play. He urges that these play-grounds should eventually be made part of the "public school" system, so that a play-ground should be considered a necessary corollary of every school. He understands boy-nature well, and graphically describes the moral effects of good, healthy play upon the town-boy. He does not enter into the question of physique, nor does he always clearly show whether or not girls are to be included in institutions for physical exercise—an important part of the subject. The quiet pursuits suggested as an adjunct to play-grounds merge this subject into vacation schools. It is all part of one idea, though the author only narrates what is being done, and does not draw out a complete scheme of public education.

The rest of the book deals with other means of social benefit, usually begun by philanthropy, and often carried on by the spontaneous effort of the body of citizens, sometimes even conducted as a business enterprise, in order to obtain a profit. By these means the hooligan finds

room for his energies in strenuous work or play ; while records show that crime has decreased where such institutions have been founded.

The author is careful to state that in all instances the people must be taught to use these means of improvement by their own effort, even if at first their position may be passive. Yet, in spite of this, there seems to be a danger in some of the schemes that too little may be left to the individual will and conscience, so that if these schemes were fully carried out, there would be no room for original and solitary thought, nor for the employment of leisure in the home. In view, however, of the prevailing distress, neglect, poverty, and ignorance to be found amidst large populations, these objections may be unnecessary, since pressing evils cry for remedies. Our hope must be that these remedies may be wisely and temperately used, so that the parents of the future may hereafter apply the lessons learnt here to their own homes.

The examples cited are most interesting and instructive. Good results have been obtained by certain large firms, who provide and encourage social institutions ; while in other cases municipalities have taken up the work. Mr. Lee notes how the religious bodies have always been ready to take their part in social improvements, and have often acted as pioneers amidst great difficulties and discouragements. He does not, however, dwell upon this aspect of the question, but rather upon the duties of citizens as such.

The inquiry is summed up by a general conclusion and appeal to the American nation. Mr. Lee shows how all these movements express the American character ; he traces the building-up of that national character during the past century, and points out the attitude which America has now to take regarding the immense immigration with which she has had to deal. The foreign elements must be absorbed into the great nation ; they must make part of her greatness, as they already make part of her burden ; and so the genius of the American people, which was formed before this great flood of immigration began, must prevail. It is a high ideal, and it makes this small book inspiring. At first, the comprehensiveness of its title may lead to disappointment, for the book is by no means a complete treatise on this great subject. It leaves many points untouched, many difficulties unsolved ; the examples are limited, the parts of the subject are merged into each other ; the treatment is discursive, and the conclusions not always sure ;—yet, in spite of these defects, Mr. Lee has succeeded, not only in giving valuable suggestions to philanthropy, but has also touched patriotic fire, and shown the value of great ideals.

M. W. MIDDLETON.

**MONEY AND BANKING.** By W. A. SCOTT, Professor of Economic History and Theory in the University of Wisconsin. [x., 381 pp. 8vo. 10s. net. Bell. London, 1903.]

The subject is here treated chiefly from the American standpoint, and with the idea of providing a guide to further study. The author begins by distinguishing between the two functions of money as a standard of value and as a medium of exchange. Some of his definitions lack something in point of clearness, to say the least. That of paper currency, for instance, is very loose. He describes it as representing "the obligation of some public or private corporation or of some person to pay the amount indicated." An I.O.U. would answer this description even more closely than a bank-note, but is not included among the varieties of paper currency enumerated at page 20, and could hardly be included under even the most elastic interpretation of the term. So in a subsequent chapter he objects to the quantity theory of prices, that "it is based on the fallacious assumption that a valuable commodity standard is not a necessity in a money economy." But clearness and accuracy of expression are not conspicuous in the vast mass of American academic literature.

Professor Scott passes on to a comparison of the systems of banking now operating in the leading commercial countries. Here we are struck by the contrast exhibited by the American and English modes. Banking, as practised among ourselves, has been distinguished during a considerable period by two steady tendencies. One has been the substitution, by absorption and amalgamation, of a comparatively few very big banking concerns, each with branches over a wide area, for a much larger number of small local concerns. Last year there were about 103 independent concerns engaged in the internal banking business of England. But not a year passes without one of these becoming merged in one of the large joint-stock banks.

The second tendency is towards the extinction of the note circulation of banks other than the Bank of England. "Under the operation of the Act of 1844," says Mr. Inglis Palgrave, "the country note circulation has dwindled till, from being (1845 to 1847) more than £7,000,000, it is now (1902) less than £875,000." In the United States, on the other hand, the figures for 1900 given us by Professor Scott are 3732 national banks, 4369 State banks, and by estimation about 6000 private banks. Banks of the first class have to conform to certain stipulations as to investing a portion of their capital in United States bonds, and enjoy the (practically) exclusive privilege of a note issue guaranteed by the Federal Government. The banks of the second class are regulated by State legislation, and have the bare legal right to

issue notes, which they do not exercise because the Federal Government, in order to give the national banks a practical monopoly in this respect, imposes a 10 per cent. tax on such issues. Private banks are free from regulation. In 1900, the notes of national banks in circulation exceeded £60,000,000 sterling, besides United States notes to the amount of £63,000,000. Professor Scott, by the way, states that the total amount of bank-notes in circulation in England in April, 1900, "was approximately £63,552,943, of which £48,271,530 were issued by the Bank of England." It would be interesting to know how he has arrived at these figures, since Mr. Palgrave, in his *Bank Rate and the Money Market*, states that the total note circulation of England and Wales for the same year, including notes issued by private and joint-stock banks, was only £30,638,000, of which £29,396,000 were issued by the Bank of England. It is possible that the former writer may have included the bank-notes held in the Banking Department of the Bank of England among those in circulation, but where does he get the remaining £15,000,000 of notes issued by other banks?

C. H. D'E. LEPPINGTON.

#### A HISTORY OF AMERICAN POLITICAL THEORIES.

By C. EDWARD MERRIAM, A.M.; Ph.D. [364 pp. Crown 8vo. 6s. net. Macmillan. New York, 1903.]

A history of political theory would be in its very nature at a disadvantage, since it would treat chronologically what is in essence independent of dates. But the historical method, though alien to theory, may fitly be used for theories; and it is theories, in their seemingly disjointed, irregular growth, just as they shot up and withered in the heated atmosphere of struggle and experiment, that Mr. Merriam presents. For indeed, despite the extensive bibliography appended, and the wealth of material collected, the concluding criticism is a just one—that the sum of American political theory is poor, and that "very few contributions to systematic politics have been made by the great republic of the New World." The theories are many, the theory is little.

The reason lies in the facts of American history. The theorists were dominated, not by a speculative, but by a practical motive. They were in quest, not of some abstract generalization, wherewith to construct "a republic in the heavens," or again, "its copy in the soul of man," but of particular, practical solutions of America's living problems. So the theories spring to light, sudden and brilliant, each in turn extinguishing its forerunner, yet, self-dazzled as it were, too often unable to detect some glaring inconsistency in itself. Speculative

truth is neither so suddenly born, nor so readily quenched, nor is it so liable to self-contradiction.

But the theorists did not believe that America's case could be met by generalized truth. In his chapter on the "Nature of the Union" Mr. Merriam says, "if the idea of a double sovereignty seemed to be without adequate historical precedent, so was the whole American system without parallel." Meanwhile, for an illustration of the swift trampling to death of one theory by its successor, we may look at the history of the Church-and-State problem in America. The Puritan colonists, theorizing with one set purpose—the preservation of the Puritan religion—claimed a literal acceptance of Old Testament precedents as the basis of the new political system, and established a constitution which is described by Mr. Merriam as theocratic. By this theocracy was planted that most fruitful seed of democratic reform, the contract theory, which, with its original ecclesiastical significance transferred to politics, was embodied in the Declaration of 1776. Nevertheless, no later than the Presidency of Jackson, by the abolition of religious restrictions on office-holders, and of public taxation in support of churches, "was completed that separation of Church and State which has since been a characteristic of American institutions."

Most significant also, and of the deepest interest, is the progress of the conception of liberty, as Mr. Merriam traces it. That "taxation without representation is slavery" was the axiom of the Revolutionists; and they set up against such slavery the theory, not new but not yet worn out, of the "natural right" of freedom. Yet for half a century those who held most firmly to the belief in natural rights, held no less firmly to their plantations. Then, when the inconsistency was denounced, came the split. Either slaves or the social contract theory in its present form must be renounced; and on both sides theories, made expressly and deliberately *ad hoc*, were not wanting. "The right to enjoy liberty is inalienable. To invade it is to usurp the prerogative of Jehovah. . . . All those laws which are now in force, admitting the right of slavery, are, therefore, before God, utterly null and void." Such was the language of the Abolitionists, and it was met most effectually by an absolute denial of the main supposition. Is liberty a "natural right," or in any sense a right? Calhoun, for one, refused to admit it. Liberty is "the highest reward bestowed on mental and moral development, combined with favourable circumstances." Or, in Mr. Merriam's paraphrase, "liberty is not given to man at the beginning of his career, but is the distant goal which he reaches at the end."

But there was another method of attacking the principles of Abolitionism, and it affords a good example of the extravagance into

which one theorizing on such a burning question could be led. Liberty, whether a right or no, so far from being the supreme good for man, is his supreme bane. This is Fitz-Hugh's reversal of the hypothesis, and, since to philosophy it is repugnant, he will have none of philosophy. "Philosophy will blow up any Government that is founded on it." "What is needed is good government and a plenty of it—not liberty." "The only free people in the world are the Digger Indians of the valley of the Great Salt Lake and the Australians of New Holland. They know nothing of government, of society, of castes, classes, or of subordination of rank; each man digs for worms and climbs for birds' eggs on his own hook: they are perfectly free, famished, and degraded."

The corollary which Fitz-Hugh went on to draw from his distorted definition of liberty as the absence of restraint is, as Mr. Merriam points out, a startling one. He "discovered a resemblance between the philosophic bases of slavery and socialism, which the advocates of neither of these systems would be willing to admit. In common with the socialists he attacked the principle of free contract, considering its results as cruel as the war of the sword, or theft, robbery, and murder. A Southern plantation was an ideal type, he thought, of a socialistic society. The feelings and interests of the masters prevent undue pressure on the labourers; they are protected from the evils of competition, and are assured employment and support. His only objection to socialism was 'that it will not honestly admit that it owes its recent revival to the failure of universal liberty, and is seeking to bring about slavery again in some form.' No effective combination of labour can be made, said Fitz-Hugh, until men are willing to surrender their liberty and subject themselves to a despotic head or ruler—'this is slavery, and toward this socialism is moving.' " It is only in the later controversy between the various states and the Union, when the theory is at once more general and more complex, that the true conception of liberty, as best realized for the individual in and through the State, and as being the "right" of the individual just so far as he can understand it, is at last attained.

The interest of the theories, then, lies in what is also their defect—the want of unity and of universal validity. And so, too, with the makers of the theories: Not the clearest expositors of generalized truth, but the most ready advocates of a temporary solution commanded the nation's homage. None towers above Jefferson, and none knew or cared less for political science. To him Plato was "jargon," and Aristotle not much use; he wanted a date for the social contract, and he thought he proved the case against monarchy by saying that "to

his personal knowledge Louis XVI. was a fool." Yet he is the great pioneer of American democracy, and as such he embodies whatever unity there is in the succession of theories. For Mr. Merriam, while he admits the conflicting evidence of certain recent tendencies, appears to us to have justified sufficiently his conclusion "that the charge that democracy is on the decline in the United States is not proven."

M. L. V. HUGHES.

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### SHORT NOTICES.

**ELEMENTS OF POLITICAL ECONOMY.** By JAMES BONAR, M.A., LL.D. [207 pp. Crown 8vo. 3s. 6d. Murray. London, 1903.]

The inclusion of this volume in Mr. Murray's series of University Manuals, coupled with the name of its author, is a sufficient guarantee of its quality. It presents in clear outline the leading principles of political economy, illustrating and explaining them by facts or customs of commercial life in this and other countries; and it is written concisely and plainly.

The book is for students "beginning to study," but it will be read with profit by many who cannot be described as students of political economy, but who will be the wiser for clearing up their ideas concerning the rates and taxes that they pay, the banks of which they are the customers, the bargains that they drive, and the savings that they do or do not lay by.

Readers who are familiar with the elements of the subject will turn to the chapter on "Free Trade," in order to see which side Dr. Bonar takes in the present fiscal controversy. "It has now been found out in practice by all States in the civilized world that to protect one part of their subjects against another is bad economy, involving the support of inefficient producers and the discouragement of efficient, to the increase of the cost and price of the articles made, and the lessening thereby of the purchasing power of the nominal income of their subjects. This now seems self-evident;—and what is economy between parts of a large State would not cease to be economy if these parts were separated under different Governments."

At the end of the book there is a useful appendix, containing diagrams and figures, and quoting certain authorities who may be consulted on points mentioned in the text.

